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Sneak Attack By Central Banks Helps Boost Dollar

Dow Soars to Record On Currency's Rise and Soft-Landing Scenario

By Carl Gewirtz
International Herald Tribune

PARIS — Ten of the world's major central banks staged a coordinated surprise attack in support of the dollar Wednesday, driving the U.S. currency up sharply and encouraging investors to buy into a record-breaking stock rally.

The Dow Jones industrial average soared 86.46 points, or 2 percent, to a record 4,465.14. A government report indicated the U.S. economy was growing at a rate consistent with the "soft-landing" scenario: where corporate profits continue to rise but inflation stays under control. That, along with the dollar's rise, helped the Dow post its largest one-day gain in three and a half years. (Page 11)

The intervention, which came at a time when the dollar was not under attack, was viewed by analysts as a sea change in U.S. policy, demonstrating that Washington was committed to preventing the dollar from weakening further.

The move also fed speculation that the Bundesbank, in a coordinated move, to bolster the dollar, would ease German interest rates at its council meeting Thursday.

The intervention, which came at the start of trading in New York and just before European markets closed, stunned traders because the currency had barely moved in slow trading until then. Nine European central banks joined the U.S. Federal Reserve Board in the concerted action, traders said.

"It's very unusual," said Ronald Leven of J.P. Morgan in New York. "Central banks traditionally react to events. It's unusual, particularly for the United States, to adopt such a pro-active stance."

"It's a clear message that the United States has no desire to see the dollar go lower," he added.

Bill Dudley, chief economist at Citicorp, called the intervention "a very important event" and said it signaled "a strong U.S. commitment to keep the dollar from weakening."

In New York, the dollar closed at \$4.565 yen, up from \$2.725 Tuesday. It rose to 1.4165 Deutsche marks, from 1.3883 DM. In Washington, Treasury Secretary Robert E. Rubin said the move was in line with exchange-rate objectives of the Group of Seven leading industrialized countries.

He emphasized that the United States was prepared to continue to cooperate in exchange markets when appropriate to support the dollar.

The United States is widely viewed as favoring a weak currency as a lever to extract trade concessions from Japan. The Clinton administration has repeatedly denied this.

The acrimonious trade talks between Washington and Tokyo are now stalled, but in Geneva, Andrew Stoller, deputy head of the U.S. delegation to the World Trade Organization, said Wednesday that Washington was prepared to reopen those

See DOLLAR, Page 6



HISTORIC VISIT — Prince Charles arriving in Dublin on Wednesday. He was met by Foreign Minister Dick Spring, right. Charles's official visit to Ireland was the first by a member of Britain's royal family since 1911. Page 5.

China Test-Fires Its First Mobile ICBM

By Joseph Fitchett
International Herald Tribune

For the first time, China is believed to have test-fired a mobile missile capable of hitting targets throughout Asia and Russia and even on the West Coast of the United States, according to reports Wednesday from Japan, where the launching was monitored.

Coming soon after a nuclear test, the launching of the new long-range missile, known as Dongfeng-31, underscored China's drive to modernize its strategic arsenal.

The missile, estimated to have a range of 8,000 kilometers (5,000 miles), has been in development since 1970, but only assumed its present form in 1985 when radical design changes converted it to a solid-fuel, three-stage missile.

There have been reports — never confirmed — that Iran was providing financial

assistance to China to produce the missile. China has sold shorter-range missiles to Iran and to Saudi Arabia.

Mobility is the key feature of the new missile because it will be hard to track. When it enters service, probably within two years, China will become less vulnerable to any risk of a disabling first strike.

Some older Chinese intercontinental ballistic missiles have even longer ranges, up to 12,000 kilometers, but they are based in silos or caves. That mode improves their offensive accuracy, but their fixed location exposes them to reconnaissance and targeting for a preemptive strike or interception by missile-defense systems of the type possessed by both Russia and the United States.

Mobile missiles, on the other hand, are difficult to detect, as U.S. warplanes found when seeking Scud missile-launchers on Iraqi trucks during the Gulf war.

Earlier Chinese attempts to make long-

range missiles moved by rail produced intermediate-range versions, in the 2,000-kilometer category, some of which can also be launched from submarines.

Although other nuclear powers have been observing a moratorium on nuclear tests, China has continued carrying out the program to modernize its warheads. Its underground test last month triggered severe criticism from Japan, which has threatened to cut back on aid to China because of it.

The Dongfeng, or East Wind, which was test-fired over land on Tuesday, reportedly carried a single nuclear warhead weighing three-quarters of a ton and packing a destructive charge nearly 20 times more powerful than the bomb dropped on Hiroshima, Japan.

China's Foreign Ministry declined to confirm the test, but diplomats in Beijing were quoted by news agencies Wednesday as saying that it had occurred.

Ground Role for U.S. In Bosnia Nearer as Clinton Shifts Policy

Temporary Use Of Troops Seen

By John F. Harris
Washington Post Service

COLORADO SPRINGS — President Bill Clinton vowed Thursday that he would not leave UN peacekeepers in Bosnia "in the lurch," even if that meant sending U.S. ground troops to help the embattled international force there shore up its position.

Mr. Clinton emphasized that any U.S. role in the "reconfiguration" of the United Nations Protection Force in Bosnia would involve only a "temporary use" of our ground forces, and would come "after consultation with the Congress."

Taking pains to allay fears that his administration may be slipping into the Balkans violence more than it intended, Mr. Clinton declared: "I still believe that we have made the right decision in not committing our own troops to become embroiled in this conflict in Europe, nor to join the United Nations' operations."

Neither Mr. Clinton nor his aides were specific in just how imminent a movement of U.S. troops into Bosnia might be.

"We have received no such request, and we have made no such decision," Mr. Clinton said.

But a White House spokesman acknowledged that the plan had been discussed in detail by officials of the North Atlantic Treaty Organization, and said that whether it is implemented "is not exactly clear, and to some extent depends on the Bosnian Serbs."

He said Mr. Clinton's promise to consult with Congress did not mean that he would seek a vote of approval, only that he would discuss any deployment with leaders on Capitol Hill.

At the Pentagon, a senior official stressed that U.S. forces, if called upon to help, would be assisting a NATO operation.

"The United States does not and will not contribute ground forces directly" to the United Nations force in Bosnia, the official said.

The aide added that it was "critical" for U.S. allies in NATO to have "confidence that the United States would be ready to help if worse came to worse."

Republican officials in Congress have reportedly assented to a circumspect use of U.S. troops only if they remained under NATO command.

Mr. Clinton's remarks at the Air Force Academy graduation ceremony in Colorado Springs were the first he has made on Bosnia since a U.S.-led NATO bombing mission failed to soften the resolve of Bosnia's rebel Serbs, and instead prompted them to take nearly 400 UN peacekeepers as hostages.

The vulnerability of the UN force prompted the president to speak explicitly about a possible new role for U.S. forces. White House aides said.

"It's important to send a signal that we would be there" to help the UN force, said the White House press secretary, Michael McCurry.

Mr. McCurry acknowledged that some allied officials had been critical of the United States for not putting troops on the ground in Bosnia. The U.S. contribution has so far been limited to participating in NATO's air campaign.

Until this week, the administration had presented only two scenarios by which U.S. troops might be committed: either to help evacuate the UN force, or as peacekeepers if Bosnia's warring parties signed a comprehensive peace agreement.

The idea that American troops would go in as part of a NATO operation to reinforce the UN force had not been offered by administration officials until this week. They presented the scenario as a variant on the previous U.S. commitment to help evacuate the UN force.

At a time when the administration's Bosnia policy has come under increasing criticism in Congress as ineffective, Mr. Clinton offered a defense of his strategy of limited involvement. He said the UN peacekeeping mission supported by NATO had alleviated some suffering, even if it had not brought an end to bloodshed.

Peacemakers For Balkans Crank Out War Sounds

By Rick Atkinson
Washington Post Service

NOORDWIJK, Netherlands — Three days of emergency meetings among major powers this week have produced a redesigned Bosnia strategy that increasingly resembles a war plan more than a peacekeeping operation.

The concepts now emerging from NATO, the United Nations and Western capitals suggest preparations for combat that go beyond anything contemplated previously in the three years of civil war: the consolidation of UN forces in reinforced fire bases; the mustering of additional air, sea and land forces in the Adriatic theater; the formation of a heavily armed rapid reaction force, and the forcible opening of overland routes between UN enclaves.

The Clinton administration's declaration Tuesday that U.S. ground troops might be sent to Bosnia to help UN forces take up more defensible positions is perhaps the most vivid sign of the West's deepening involvement in the Bosnian quagmire.

Both the political rhetoric and military developments of the last week imply a steady escalation toward open warfare. Bosnian Serbs insist on calling their 350 UN hostages "prisoners of war." The Bosnian Serbs' leader, Radovan Karadzic, warned the UN secretary-general, Boutros Boutros Ghali, "The more soldiers you will send, the more violence you will get."

Such threats notwithstanding, the forces massing along the Adriatic coast include 10,000 U.S. sailors and Marines, three aircraft carriers, two attack submarines equipped with cruise missiles and U.S. Air Force AC-130 gunships. The vanguard of up to 6,000 British reinforcements arrived in Croatia on Tuesday and Wednesday.

"The bottom line is that I really think the Bosnian Serbs have declared war on the UN," a North Atlantic Treaty Organization general said Wednesday. "They've made it hard to back off."

Whether the policy changes now being considered lead to sustained fighting between Bosnian Serbs and NATO forces, or are the prelude to a complete withdrawal of the UN Protection Force, is a question no one can answer. The West's military-diplomatic approach to Bosnia seems not

See STRATEGY, Page 6

AGENDA

Israel Seizes About 30 Hamas Activists

ASIA Page 4
Appeal by Chinese Dissidents

EUROPE Page 5
Tales From Sakhalin Survivors

BUSINESS/FINANCE Page 11
Debt Talks Loom for Russia

Opinion Page 8 Sports Pages 18, 19
Books Page 9 Crossword Page 19

International Classified Page 9



WRAPPING UP — Workers in a factory near Leipzig sewing a panel for Christo's project to wrap the Reichstag. The work gets under way June 17.

Pioneers of Justice Tag the Parents for Kids' Crimes

By Timothy Egan
New York Times Service

SILVERTON, Oregon — The Municipal Court in this Willamette Valley town of old-style rhythms is being visited by a new class of offenders — mothers and fathers of the children of Silverton. They are charged, essentially, with being bad parents.

"My son was caught with a cigarette in his mouth," Carley W. Brock, one of the first of a dozen people to be cited under this town's Parental Responsibility Law, told the court. "That makes me guilty, I guess."

Another parent, Anita Beck, was cited after her 15-year-old son was picked up for shoplifting cologne. But unlike Mr. Brock, who agreed to attend "parenting" class as his penance, Mrs. Beck strongly objected to the law itself. She sued, contending it was unconstitutional to be hauled into court for an offense that somebody else committed.

Oregon, the first state in the nation to ration public health care and legalize assisted suicide, is now pioneering in another area — juvenile justice.

In January, the town of Silverton, population 6,200, created one of the nation's strongest Parental Responsibility Laws, holding parents accountable for offenses committed by their children under the age of 18.

And this week, the Oregon Legislature passed an act, largely modeled after the Silverton law, that will require parents to keep their children from breaking the law — or face a judge who could fine them up to \$1,000 or sentence them to classes in parenting or alcohol or drug abuse.

The Silverton law is being examined by several hundred cities around the nation, part of a movement that holds that poor parental supervision is at the core of juvenile crime. What government here is doing, in response, is trying to legislate stronger, more disciplinary parents.

Juvenile crime has dropped in the first four months

that the Silverton law has been in force, the police say. What is more, the law appears to have had the effect of forcing parents to keep a closer eye on the children of Silverton, which already has a strict 10 P.M. curfew. Of the 12 people cited since the ordinance went into effect, 8 have received sentences of fines or warnings or required attendance at classes. Four cases have been dismissed.

"I don't think we're telling people how to parent," said Randy Lunsford, the police chief, who helped create the law. "We're just giving them a tool to become better parents, trying to get at some of the parental apathy and neglect."

Critics, however, said the law is Big Brother intervention. On that point, Chief Lunsford concedes that the law is designed to make sure parents know what their children are up to at all times.

The act passed by the Oregon Legislature and the

See PARENTS, Page 6

West and Russia Meet to Set Out Security Terms

By Michael Dobbs
Washington Post Service

NOORDWIJK, Netherlands — The North Atlantic Treaty Organization began a formal dialogue with Russia on Wednesday in an attempt to put an end to decades of Russian isolation from the West and develop a stable security relationship between former Cold War enemies.

The opening of security talks between Russia and NATO followed months of political uncertainty caused by Moscow's strenuous opposition to U.S. proposals to expand the alliance eastward to include such former Warsaw Pact countries as Poland and Hungary. The action taken Wednesday had effectively been delayed six months because of fears voiced by President Boris N. Yeltsin that plans for NATO expansion could result in the Cold War giving way to a "cold peace."

Secretary of State Warren M. Christopher applauded the Russian change of heart as an "enormously important step" for both Russia and the 16-member NATO alliance. Speaking at a specially convened "16 plus one" meeting in this Dutch seaside resort, he promised Russian foreign minister, Andrei V. Kozhev, that there would be "no return" to the Cold War era of competing military blocs and a divided Europe.

Western governments view the new security dialogue between Russia and NATO as a "parallel track" to a series of gradual steps that are likely to result in the enlargement of the alliance by the end of the century. Taken together, the two tracks

See NATO, Page 6

Fighting Exclusion From the Bar/An Extremist's Story

A Lawyer Wins His Stripes 51 Years After Arrest

By Jan Hoffman
New York Times Service

NEW YORK — Now that he is officially, legally and in every other imaginable way a member of the New York bar, John F. Cassidy doesn't plan to open a practice. His eyesight is poor — he has cataracts — and he is getting on in years: He will be 85 in October.

But in Mr. Cassidy's view, the decision by the state's top court this month does far more than allow him a law license. It restores his reputation, he says, and redresses a ruling that banned him from his chosen profession 51 years ago.

In 1944, an appellate court rejected Mr. Cassidy's application because as a leader of an extreme nationalist group in Brooklyn called the Christian Front, the court said, he urged the violent overthrow of the government of the United States.

In the broadest sense, Mr. Cassidy's involvement with the Christian Front — the incantatory speeches on Flatbush Avenue street corners, a spectacular three-month federal conspiracy trial — eerily prefigured the militia movements that have proliferated across the country.

But his is also a story about the right to be a lawyer, a cause pressed on his behalf by lawyers with considerably more leftist leanings: his son-in-law and his son-in-law's occasional partner, a former civil rights activist and yoga teacher who has a 14-inch beard and wears a turban.

Mr. Cassidy — Jack to his friends and followers — grew up in Depression-era Brooklyn, very Irish-American, very Catholic and very determined to be a trial lawyer. After graduating from St. John's Law School in 1933, he took the bar exam six times before he passed it in 1938.

But then as now, a candidate still has to be approved by a court-appointed character and fitness committee.

Mr. Cassidy had just applied to the committee when he and 16 other men were arrested on Jan. 13, 1940: "J. Edgar Hoover Says Bombs Seized Were to Blast Important Centers," reads part of a headline in the lead story of The New York Times.

Mr. Cassidy was named as one of the group's principals.

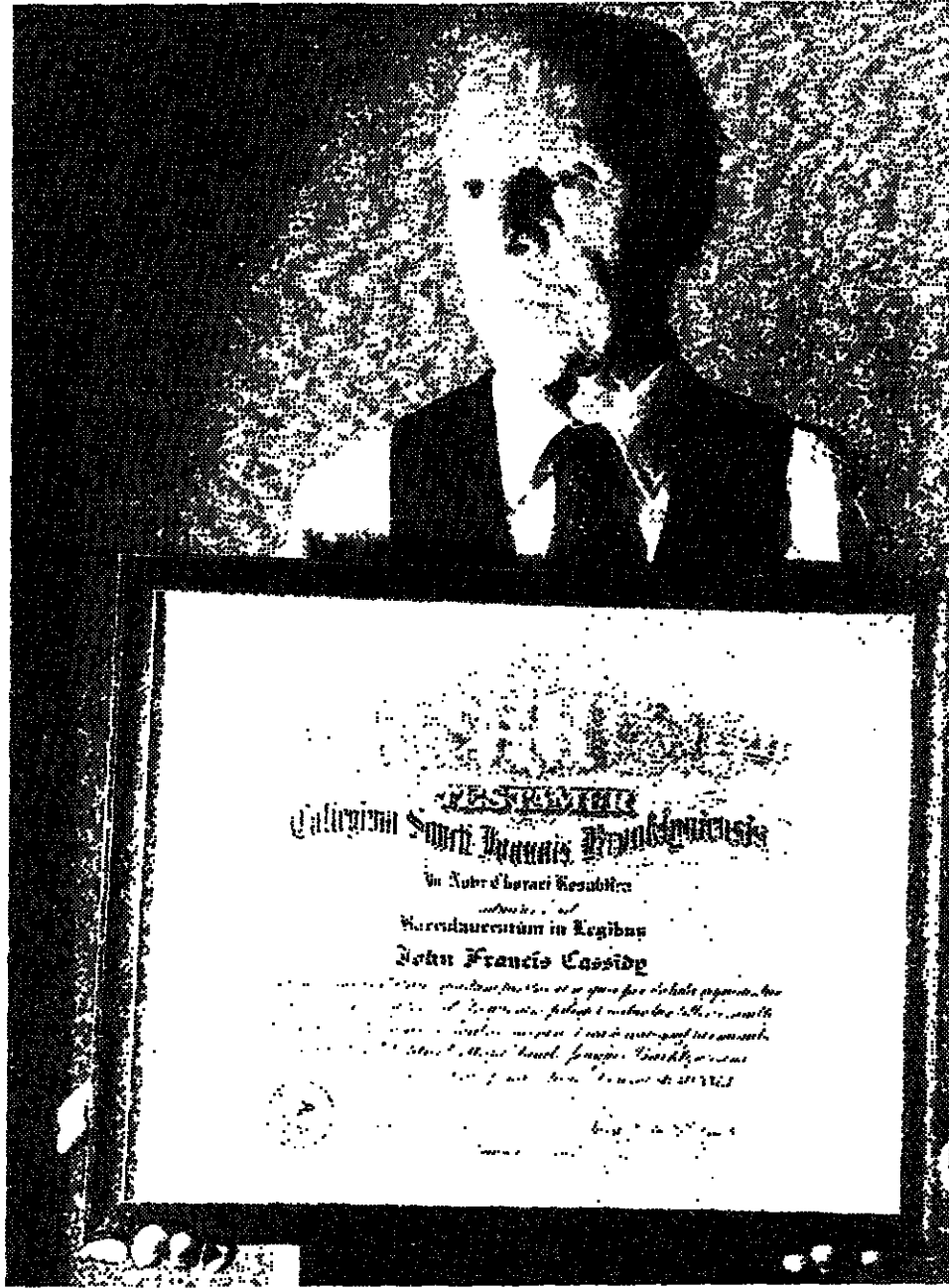
The FBI director, J. Edgar Hoover, asserted that the group planned to blow up the Jewish Daily Forward, the Cameo Theater on West 42d Street (which showed Russian-made films), the General Post Office and the Federal Reserve Bank. Their goal, he announced, was to overthrow the government and set up a Hitler-like dictatorship.

As he did then, Mr. Cassidy denies violent insurrection was their intent. During a telephone interview from his home in the Pocono Mountains in Pennsylvania, he said, "I insisted that every American in the face of the Communist threat should arm himself to defend his home, his property and his country."

His little band, he said, would stand ready to aid the U.S. Army when the Communist revolution began.

To contemporary ears, his dire forecast may sound ludicrous. But in the late 1930s, the United States, still struggling to emerge from the Depression, was caught in a desperate philosophical tug-of-war between the extreme left and the extreme right.

Like millions of other Americans, Mr. Cassidy, a clerk then at the electric company, sat by his radio Sunday afternoons, rapt, listen-



Mr. Cassidy, holding his St. John's Law School diploma, is still a die-hard conservative, he says, but opposes any group that threatens the security of the United States.

ing to the isolationist, anti-Semitic preachings of Father Charles E. Coughlin, who warned about lurking Stalinist infiltrators.

In 1940, nearly 50 teachers at New York high schools and colleges were fired for suspected Communist activity.

AND SO when Jack Cassidy set up his platform on Flatbush Avenue across from the Albee Theater to protest "Blockade," a movie about the Spanish Civil War starring Henry Fonda and Madeleine Carroll that he found too pro-Communist and anti-Catholic, hundreds gathered to listen.

Then and now, Mr. Cassidy denied that he was anti-Semitic — one daughter married a Greenberg, he offers in his defense. Nor was Father Coughlin, he said.

But David M. Oshinsky, a historian at Rutgers University in New Jersey, noted: "To say that Coughlin wasn't anti-Semitic and to talk about these organizations like the Chris-

tian Front as if they were simply anti-Communist and not pro-fascist or pro-Nazi is really a perversion of history."

Mr. Cassidy spoke before the American Legion, the Veterans of Foreign Wars, the Holy Name Society. At the Christian Front's Friday night meetings in Brooklyn, he addressed upwards of 500 people, many of them New York City policemen.

When the FBI arrested the club's core members, it confiscated 15 partly made bombs, 18 cans of cordite powder, 12 Springfield rifles, four .22-caliber rifles, 750 rounds of machine-gun ammunition, dynamite, fuses, incendiary chemicals and a long sword.

The criminal justice system was a little different back then. The trial of 17 defendants for conspiracy started a mere four months later. And rather than 10 lawyers representing one defendant, 10 defendants, including Mr. Cassidy, were represented by one lawyer, a former federal magistrate named Leo Healy.

Mr. Cassidy said that Mr. Healy, like many contemporary lawyers who have unpopular clients, was condemned for taking the case. Walter Winchell, after all, branded his client, Mr. Cassidy, "the Führer of Flatbush."

Eventually Mr. Bishop was identified as the ideological loose cannon in the group; Mr. Cassidy, who took the stand, apparently came across as impassioned but law-abiding.

Nine defendants, including Mr. Cassidy, were acquitted; the jury could not decide about the others, and the government declined to try them again.

"During the trial I was never scared," Mr. Cassidy said. "I ate that thing up. I felt like a member of the legal community, although I guess I wasn't."

Once acquitted, Mr. Cassidy pressed for his law license. During the four years that the character and fitness panel held hearings on his application, 26 people testified against him, including members of the Anti-Defamation League.

Mr. Cassidy was absent for much of it, having been drafted. While he was overseas, the committee voted to admit him and passed his name to the Appellate Division of the 2nd Judicial Department.

In 1944, the court, asserting it was not bound by the federal acquittal, said it believed that Mr. Cassidy indeed had conspired to violently overthrow the government.

Mr. Cassidy took the case to the Court of Appeals, which in 1947 upheld the lower court's decision. He was out.

Brokenhearted, he retired from political activism, made a modest career as a field accountant for construction projects and became involved in his Brooklyn parish. He received an award for volunteering during the administration of Mayor John Lindsay.

A few years ago, his son-in-law, Frederick Russo, a lawyer, told Mr. Cassidy's tale to his law partner, S. J. Khalsa, an American-born Sikh convert who was Mr. Russo's yoga teacher at the New School for Social Research.

BOTH MEN, whose political sensibilities were formed in the late 1960s — Mr. Khalsa did civil rights work in Alabama — felt that Mr. Cassidy had been denied due process during the committee hearings in the 1940s and was banned because of his beliefs. They took up his fight.

"If he had applied for admission six years later during the McCarthy era, he would have been kicked on both cheeks," Mr. Russo said. Last year the committee again interviewed Mr. Cassidy. He denied nothing, said he regretted nothing. He was approved.

But the appellate court noted that in the 50 years since he had last applied to the bar, lawyers had an additional requirement: they had to pass a written ethics exam.

Mr. Cassidy despaired. He was in no condition to take a bar review course, much less an exam.

Mr. Russo and Mr. Khalsa appealed to the Court of Appeals, which earlier this month granted Mr. Cassidy a waiver from the exam. Counselor Cassidy said he is still a die-hard conservative. While he opposes any group that threatens the security of the United States, he does not publicly quarrel with the new rightist militias.

"I don't think they are a threat to the country that the Communists were," he said. "You don't know who blew up the federal building in Oklahoma City yet." He sighed. "I wish I were a defense lawyer."

In Cyprus, Peace Means More Folly War Is Continued With Words Across Disputed Buffer Zone

By Chris Hedges
New York Times Service

NICOSIA, Cyprus — On the deserted asphalt tract that slices through the center of this divided capital, there is a small painted triangle.

For 15 minutes each hour, Turkish troops are allowed to move from their border posts and stand inside the white lines.

The arrangement is part of a deal negotiated by the United Nations to give Greek Cypriots and Turkish Cypriots access to several disputed areas along the 180-kilometer (110-mile) border that separates the north from the south.

It is a potent reminder that once the folly of war is over, folly itself is often all that remains.

"It's really a game of hopscotch," said Major Richard Nixon-Eckersall, a British peacekeeper.

"You see, the Greek sentries, over there, can't see the lines. Are the Turks inside the lines or not? A lot of rock-throwing and insults are generated over this triangle. Last year the Greeks fired off five rounds at the Turks. This is considered one of the most volatile areas along the Green Line."

A buffer zone along the Green Line, set up after the Turkish invasion of Cyprus in 1974 and patrolled by UN soldiers, has prevented the resumption of the civil war that began in 1963.

The last clash took place two years ago when Turkish forces shot and killed a Greek Cypriot soldier.

The buffer zone — seven kilometers wide in spots, a few meters in others — cuts through farmland, mountain passes and Nicosia.

Many of the houses and shops in the no-man's-land have furniture and goods still stacked inside. Some doors have signs warning of booby traps.

The deserted Nicosia International Airport with its gutted terminals, the seaside resort of Varosha swallowed up in thick vegetation, and the white-washed Olympian Hotel are crumbling from neglect and inhabited by stray dogs and cats.

The buffer zone is lined with earthworks, barbed wire, trenches, bunkers and watchtowers manned by troops — about 43,000 Turkish and Greek Cypriot troops, including 30,000 Turkish soldiers sent

by Ankara to the island, stationed along it.

The northern side, which has one-fifth of the island's 650,000 people and a government recognized only by Turkey, is a dreary collection of towns and villages that look like working-class districts in Istanbul.

It suffers from constant shortages and high rates of unemployment and is propped up by the Ankara government with an estimated \$200 million a year.

The south has a per capita income of \$12,000 a year, equal to those of Ireland and Spain. Luxury hotels and shops selling designer clothes, home china and computer software nestle along tree-lined avenues.

As if the war had ended only a few days ago, the Greek Cypriots and the Turkish Cypriots denounce each other in repetitive weekly editorials and political rallies.

The Ayios Demetrios Church in Nicosia, in one of the streets of Greek exhibitions portraying Turkish perfidy, has just mounted a photo display of the desecration of more than 200 Greek churches in the northern part of the island.

"For over 20 years our young men have been trained in the art of war," said the Greek Cypriot president, Glafkos Clerides, in his hilltop presidential palace.

"They are trained not to fight an external foe, but an internal enemy. This has had a devastating effect on the younger generation."

The war between the Christians and Muslims in the Balkans is viewed by many on the island as an extension of the religious clash that grips Cyprus.

The mayor in northern Nicosia, whose father disappeared in the violence in 1963, keeps a poster denouncing the siege of Sarajevo on his office door.

UN officials and Greek Cypriot and Turkish Cypriot leaders say it would take little to trigger the conflict again.

"The two peoples cannot be put back together," said Raul Denktash, the leader of the Turkish Cypriots.

"One single incident, one crime involving a Turk and a Greek, would ignite the whole thing. We can't play with the fears of the people."

At the Ledra Palace Hotel checkpoint, where only foreign visitors who do not have Turkish or Greek names can cross, the Greek Cypriots and the Turkish Cypriots have set up competing billboards.

Each side displays gruesome photos of atrocities they have endured.

"Enjoy yourself in this land of racial purity and true apartheid," read a billboard directed at those headed to the north.

"Enjoy the sight of our desecrated churches. Enjoy what remains of our looted heritage and homes."

Red and white star-and-crescent flags flapped over the Turkish Cypriot guard posts, about 400 meters away, and a sign welcomed visitors to the Turkish Republic of Northern Cyprus.

An enlarged photo showed the bloody bodies of a Turkish Cypriot mother and her three children in a bathtub.

Another showed a priest firing a rifle with the caption, "A Greek Cypriot priest who forgot his religious duties and joined to the hunting of Turks."

Correction

An article about the effects of British privatizations, published in a special report May 16, erroneously characterized the income of the chairman and chief executive of British Telecommunications PLC, Ian Valance's £663,000 remuneration included bonuses, but did not include stock options, according to a spokesman for the company.

Accusations Push Germans To Overhaul Tourist Office

The Associated Press

BONN — The German government will cut funding to and reorganize a tourism board whose New York office has been plagued by accusations of racism and sexism, the economics minister said Wednesday.

The minister, Günter Rexrodt, told Parliament that he would replace Ulrich Geisenbocker, his representative on the 12-member board of the privately run German National Tourism Organization.

Two former employees of the agency's New York office filed

lawsuits in March demanding a total of \$3.6 million for sexual and racial harassment. A third employee was fired when it surfaced she had translated an essay that called the Holocaust "an absurd story."

And this month, the former deputy manager of the office, Fred Gross, claimed that he had been fired after he discovered a document in its files that directed the office to discourage "Jews, blacks, Hispanics and Asians" from visiting Germany. He has sued the tourism board for \$30 million, claiming that it ignored his report.

TRAVEL UPDATE

Behind the Badge, a Video Camera

CARLSBAD, California (Reuters) — If you are stopped for speeding in the United States, smile. Big Brother may be watching you.

About 15 law enforcement agencies throughout the United States are testing a video camera smaller than a badge that can be used for surveillance or at traffic stops to record the demeanor of suspected speeders or drunk drivers. Depending on the results, the device could be on the market as early as June and will cost \$3,000 to \$5,000, according to Robert Belt, sales manager for the manufacturer, Systems Engineering and Management Co., here.

According to Mr. Belt, the company has been asked by several police departments to develop a device similar to the wireless camera and microphone it produced for the helmets of astronauts and for CIA covert operations. The company, which specializes in wireless videos, began developing the Personal Video Surveillance System about 18 months ago.

Moscow has not experienced such a hot May in a century. The temperature has been close to 30 degrees centigrade (86 degrees Fahrenheit) in the shade for the last 10 days, a good 10 degrees higher than the seasonal average. The city has not experienced such a hot May since 1889, the meteorological center in the capital said. (AFP)

French rail workers staged a partial strike Wednesday, causing delays on commuter and regional lines mainly in the Paris region, rail officials said. Service on some Metro lines was cut by as much as half, some bus routes were affected and some suburban commuter lines ran at about two-thirds of normal levels, they said. (Reuters)

The first Egyptian passenger boat to visit Israel arrived at the Red Sea resort of Eilat, the Israeli ITIM news agency reported Wednesday. The Golden Sea docked Tuesday with 100 tourists from Arab countries who planned to visit Bethlehem, Jerusalem and Herod's palace at Masada. (AFP)



The heat forced officials at Moscow's airport to close its runway for safety checks Wednesday, allowing passengers to catch up on their sleep for up to seven hours.

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Bahamas	800-777	Germany	9800-1-0284	Korea (other)	0082-121	Russia (Moscow)	050174-877
Bahamas	1-800-877-8000	Greece	10-0087	Lithuania	8-419	Sweden	1-800-877-8000
Belgium	0800-10014	Hungary	0130-0013	Latvia	0037-121	Switzerland	01-800-0877
Belize	1-800-633-3577	India	008-001-111	Lebanon	00960-121	Taiwan	155-4323
Brazil	000-8016	Indonesia	006-195	Malaysia	0060-121	Thailand	800-555-6133
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Bulgaria	00-800-1010	Japan	800-1877	Morocco	95-800-877-8000	U.S. Virgin Islands	1-800-877-8000
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Chile	006-0017	Laos	00855-111	Netherlands (Amsterdam)	0031-20-1119	United Arab Emirates	0097-49-0877
China	108-13	Maldives	000-337	New Zealand	001-800-745-1111	United Kingdom (BT)	0044-49-0877
Colombia	990-130-010	Maldives (other)	001-801-15	New Zealand (other)	001-800-745-1111	United Kingdom (other)	0044-49-0877
Costa Rica	00800-001-0123	Maldives (other)	001-801-15	Norway	0047-22-1111	Vietnam	173-1877
		Maldives (other)	001-801-15	Sweden	0046-8-1111	Yemen	800-1111-0

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THE AMERICAS

POLITICAL NOTES

U.S. Review Finds Most Affirmative Action Justified

By Robert Pear
New York Times Service

WASHINGTON — In a sweeping review of the government's affirmative-action programs, Clinton administration officials have concluded that most hiring and other preferences based on race or sex are justified in employment and education.

But they found problems with some purchasing programs that reserve federal contracts for companies owned by blacks or women.

A confidential report prepared for the president by administration officials catalogues numerous forms of affirmative action and analyzes the reasons for "white male resentment" of those practices.

The report, prompted by Republican criticism of such programs, lays out standards for acceptable affirmative action: race or sex can be considered as "one among several factors." If numbers are used, they should be "genuine goals rather than straitjackets or quotas."

Affirmative-action plans should be reviewed periodically to see if they are still needed. And the rights of "bystanders," including white men, must be respected.

Administration officials said President Bill Clinton would probably announce his conclusions in a broad thematic speech not yet scheduled, leaving agencies to disclose details of any changes.

If Mr. Clinton proposes changes, they are likely to become a starting point for Republicans in Congress who want to go much further, possibly repealing programs that they say discriminate against white men.

When Mr. Clinton ordered the review in February, he evidently hoped to assuage the concerns of white men. But he and his advisers quickly concluded that they would alienate many blacks, Hispanic Americans and women if they pulled back too far from their support for affirmative action.

A senior administration official involved in the review said, "We concluded early on that the

politics were a wash" for the administration because the political costs would offset any political gains from curtailing affirmative action.

But the official denied that the review was part of a presidential re-election strategy. "From the beginning," he said, "we have viewed this as a moral and policy exercise unmoored from political calculations — an attempt by the president to discover and define what he believes. We spend more time talking about constitutional doctrine than the politics of affirmative action."

George Stephanopoulos, senior adviser to the president, said that the review was not complete and that it had taken somewhat longer than expected because "it's complicated."

He refused to discuss any preliminary conclusions. The president's ultimate decision on this issue, he said, "is not a political decision, but will be based on policy and principle."

A third administration official said that Mr. Clinton would offer "sympathy and understanding" to white men who resent affirmative action. Mr. Clinton indicated his strategy in a speech to

the California Democratic Party in April, declaring, "This is psychologically a difficult time for a lot of white males, the so-called angry white males," who feel they have been treated unfairly.

The report upholds most types of affirmative action, saying they increase productivity by reducing discrimination and finding the best candidates for particular jobs. But it expresses concern about programs that establish "hard set-asides," or rigid quotas, for blacks, Hispanic Americans and women.

As an example, the report cites Commerce Department rules for certain federally financed local public works programs. The rules say that no grant may be made for any project unless "at least 10 percent of the amount of the grant will be expended for contracts with or supplies from minority business enterprises."

A similar preference is found in the Diplomatic Security Act of 1986. At least 10 percent of the money for construction to improve security at U.S. embassies is earmarked for minority contractors.

Clinton Denies 'War on the West'

COLORADO SPRINGS — President Bill Clinton accused Republicans on Wednesday of "demonizing" his efforts to strengthen the West's economy and protect its environment as he began a two-day visit to the western United States.

"The fact is I certainly have not made war on the West," Mr. Clinton said in an interview in The Denver Post. "I have done my best to try to give the West a future and give you the possibility of a strong economy and a strong environment."

"Republicans are brilliant at demonizing their opponents and convincing people that up is down and down is up," Mr. Clinton said.

The president's efforts to increase fees and restrictions on grazing, mining and logging on federal land have drawn bitter opposition from some Westerners.

In a commencement address at the U.S. Air Force Academy here, he said congressional Republicans had failed to deliver on a promise to complete work on anti-terrorism legislation by Memorial Day. "Six weeks after Oklahoma City, there is no further excuse for delay," he said. (AP)

A Presidential Run by Gingrich?

WASHINGTON — Even in a city consumed with politics, Washington seems freshly awitwiter these days with speculation over Newt Gingrich's political future. Is Mr. Gingrich preparing to run for president?

"The conventional wisdom," said a person close to Mr. Gingrich, "is that he is open, he is toying with it, he is intrigued and Joe Gaylord is thinking through how he can do it."

Mr. Gaylord, who is Mr. Gingrich's long-time political adviser, says this is not true. "I've done zip, zero, nothing about a presidential bid," he said. Asked if someone else was doing it, he said, "I don't have the vaguest idea if he's talked to anyone else about it."

Still, speculation is intensifying this week as Mr. Gingrich prepares to begin a 25-city tour to promote his new book, which his publisher says is being "positioned as a major best-seller," and heads on June 9 to New Hampshire.

There, the site of the nation's first presidential primary, he will scout from event to event by helicopter as a caravan of up to 200 reporters and camera crews scuffle after him on the ground.

Mr. Gingrich has adopted a pose of amused detachment. The topic of his running, he says, correctly, is being raised by reporters, not by him. But he is not discouraging it, nor are his friends.

William J. Bennett, the former drug czar and education secretary, puts the chance of Mr. Gingrich's running at 51 percent, adding, "We will all know a lot more after the trip to New Hampshire and the book tour and we see what kind of press reaction he gets and reaction from the public."

His friends expect the reaction to be positive and extensive and believe that it might trigger the kind of draft movement that Mr. Gingrich may be waiting for. William Kristol, the Republican strategist, said: "It's not natural to have that degree of interest in him and be thrilled with what he's doing and then say, 'Well, we'll nominate someone we're much less enthusiastic about.'" (NYT)

Clinton to Name D.C. Director

WASHINGTON — President Bill Clinton intends to appoint economist Andrew F. Brimmer to head the powerful new financial control board that will oversee the District of Columbia government, a White House source said.

The president also intends to appoint two other members of the board — Joyce A. Ladner, interim president of Howard University, and Constance B. Newman, undersecretary of the Smithsonian Institution. The law establishing the five-person board requires it to have at least three members to operate.

With the presidential appointment, Mr. Brimmer would become the most important unelected D.C. official since the city was granted home rule 20 years ago. The unpaid position gives him substantial responsibility for turning around a crisis-ridden city that is running short of cash and running out of credibility in Congress.

Mr. Brimmer, 68, is a former member of the Federal Reserve Board and president of his own economic consulting firm, A Director of BankAmerica Corp. and numerous other companies, he is considered an expert on banking and financial matters and served as co-chairman of a federal commission that analyzed the savings and loan crisis. (WP)

Quote / Unquote

President Clinton, threatening to veto the Republican rewrite of the Clean Water Act: "House members operating with major industry lobbyists have come up with a bill that would roll back a quarter-century of bipartisan progress." (WP)

Away From Politics

● In a sharp counterattack to a federal investigation into Medicare and Medicaid fraud, nearly two dozen of the largest American hospitals have sued the U.S. Department of Health and Human Services in Los Angeles federal court. The suit seeks to overturn the government's recent decision to deny payment for medical care using experimental devices that have not received final approval from the Food and Drug Administration. (LAT)

● Firearm suicides, especially among young people, are rising in the United States, according to a study by two gun control groups. The Educational Fund to End Handgun Violence and The Coalition to Stop Gun Violence. The study said suicides by firearms outnumber murders by firearms. In 1992, the research showed that 37,776 Americans died by firearms, 48 percent of them suicides. Among youths between ages 15 and 24, 3,073 youths killed themselves with guns in 1992. (Reuters)

● Women outnumber men among first-year students for the first time in the Yale School of Medicine's 182-year history, with women making up 56 percent of the class that entered in 1994. And Yale is not alone. Eighteen of the United States' 126 medical schools reported a majority of women in their first-year class this academic year, including Harvard and Johns Hopkins. (AP)

● U.S. authorities have allowed the Filipino wife of a suspect in the Oklahoma City bombing to return to the Philippines, President Fidel V. Ramos said. In a nationally televised news conference, Mr. Ramos said Marife Torres Nichols, wife of Terry L. Nichols, "will be coming home to the Philippines shortly" with her one-year-old daughter, Nicole. (AP)

Simpson's Jurors To See Grim Photos

The Associated Press

LOS ANGELES — Autopsy photos of Nicole Brown Simpson and Ronald L. Goldman can be shown to jurors, the judge ruled Wednesday, turning aside arguments by O. J. Simpson's defense that the gruesome pictures would unfairly inflame jurors.

Judge Lance A. Ito agreed with arguments by prosecutors, who contended that the photos of the knife wounds were necessary to their case.

The judge ruled that prosecutors could show jurors 41 of the 46 photographs they wanted to introduce. Four were denied for being redundant, and a fifth was still being considered.

The judge described some of the photographs as "horrible" but said their value as evidence outweighed any potential prejudice.

During a hearing earlier this month, a Simpson defense attorney, Robert Shapiro, argued that the pictures would cause "revulsion and horror" in jurors. "It's unlikely anyone would look at these photos and not get sick to their stomach," he said.

Prosecutors countered that the photos would help jurors understand how the two were killed. During the hearing, which Mr. Simpson chose not to attend, a prosecutor, Brian Kelberg, gave a detailed scenario of the slayings.

He said Mrs. Simpson was very likely lying on the ground when her killer stepped on her back, pulled her head back by the hair and slashed her throat.

Although prosecutors have said that Mr. Goldman happened upon the scene and then fought his assailant, Mr. Kelberg said Mr. Goldman's wounds show that he also was stabbed when he could offer little, if any, resistance.

Mr. Shapiro argued that the heads of the victims had been propped up in the photos to show open, gaping, throat wounds. Mr. Kelberg said this was necessary to show the force of the knife thrusts.

In another ruling issued Wednesday, Judge Ito denied a defense request for sanctions against a prosecutor, Rockne Harmon, for allegedly contacting

defense witnesses in an inappropriate manner. Judge Ito ruled that whatever the prosecution might have done, it "has not become privy to confidential defense information."

Earlier, a police criminal investigator, Collin Yamauchi, concluded his testimony, and a state Department of Justice investigator, Gary Sims, returned to the stand. His testimony was cut short last week so that he could attend a funeral.

Mr. Yamauchi, accused by the defense of contaminating evidence, said he was not motivated by jealousy or resentment when he testified of similar lapses by a defense expert, Dr. Henry Lee. Mr. Yamauchi said he harbored no ill feeling toward Dr. Lee and found him "a nice, congenial man."

Mr. Yamauchi had testified that he did not see Dr. Lee change gloves when he inspected Mr. Simpson's blood-spattered socks in February at the Los Angeles Police Department laboratory.

Defense lawyers have repeatedly accused prosecution scientists of contaminating evidence by mishandling it, including failure to change gloves during collection and examinations. They have argued that the handling renders the DNA results useless.

Judge Ito, meanwhile, has proposed longer court hours to speed up the trial. Court would run from 9 A.M. to 6 P.M. three days a week and from 9 A.M. to 4:30 P.M. on Wednesdays. The judge rejected a jury request for Saturday sessions, saying it would be far too costly, and turned down a request for full-day sessions Friday.

Chile's High Court Backs Convictions in Letelier Case

By Gabriel Escobar
Washington Post Service

SANTIAGO — Chile's Supreme Court, ruling on the most sensitive issue left over from the Pinochet dictatorship, has upheld the convictions of two senior commanders who ordered the 1976 assassination of a former foreign minister, Orlando Letelier, in Washington.

The court's unanimous decision, awaited by Chileans with trepidation amid public grumbling from some in the military, sought to close a chapter on an act that brought international notoriety to General Augusto Pinochet's military regime and has hung over the two democratic governments that have ruled this now prosperous country since 1990.

Outside the court on Tuesday night, the decision was greeted first with loud applause and then by some disturbances as the crowd dispersed and Chileans wearing masks threw molotov cocktails and rocks at the police. Government officials and others played down the protests, which largely demanded stiffer sentences.

Beyond the legal aspects of the 17-year-old case — in which the courts found that General Manuel Contreras and Brigadier General Pedro Espinoza ordered the assassination and sentenced them to seven- and



Mr. Yamauchi, left, and Mr. Scheck as they sparred over the handling of DNA evidence in the O. J. Simpson trial.

Man With Babe Ruth's Uniform Strikes Out

The Associated Press

NEW YORK — The latest possessor of a Babe Ruth uniform with a checkered past has been arrested and charged with stealing the \$50,000 pinstripes.

William Wilson 3d, 39, was charged after the police discovered the vintage New York Yankees uniform in his Harlem apartment, a police spokesman said. The ill-fated flannel jersey and pants, which bear Ruth's name embroidered in red, are believed to have been worn by him both in the 1920s and in the 1942 film "Pride of the Yankees."

In the 1950s, the uniform — pants size 44, shirt size 50 — was stolen from a

Hollywood costume company. One owner was killed in a mob hit, and the uniform disappeared. Then it spent the early '90s in a Long Island police property room after another owner turned it in with no explanation. When nobody claimed it, the collector went to court and won it back. The uniform has changed hands several times since then.

The uniform disappeared again May 23 in a break-in of a car rented by Mark Lassman, president of Sports Card Heaven International in Davie, Florida. Other cards and memorabilia, with an estimated value of \$200,000, also were stolen.

Most of the stolen items were recovered from Mr. Wilson's apartment and from his family home near Philadelphia, the police said.

Most of the rare collectibles remained encased in plastic with their price tags intact: \$400 for a Ted Williams card, \$400 for a Mickey Mantle one.

There was also a group picture of Williams, Mantle and Joe DiMaggio, autographed by all three.

By the time Mr. Wilson realized what he had stolen, the police said, a friend had tried to sell some of the memorabilia back to Mr. Lassman for \$400.

Right Challenges Yucatán Election

Widespread Cheating Alleged in Ruling Party's Victory

By Tim Golden
New York Times Service

MEXICO CITY — Political conflict has deepened in the state of Yucatán as the conservative opposition has begun to rally its supporters against what it says was widespread cheating in elections that the governing party appeared to have won there Sunday.

Leaders of the right-of-center National Action Party said they planned to register scores of legal challenges to the voting results, but would not await rulings by state election officials to begin a campaign of protest marches and demonstrations. "People are determined to

fight the battle because the election is being stolen from them," the party's candidate for governor, Luis Correa Meña, said in a telephone interview.

The fight appeared likely to add one more in a series of regional political struggles confronting President Ernesto Zedillo.

The Zedillo administration and its Institutional Revolutionary Party are still trying to resolve leftist complaints about elections the governing party won last year in the southern states of Chiapas and Tabasco. Those conflicts and others with the National Action Party have delayed for months negotiations between the governing party and the opposition.

Mr. Zedillo was also criticized by opposition figures and some political experts for the congratulations he offered Monday to his party's gubernatorial candidate in Yucatán, Victor Cervera Pacheco.

Mr. Cervera, 69, a former cabinet minister who has served as an unofficial governing party boss in the state for decades, has maintained a steady lead in the official count.

With 90 percent of the ballots tabulated, the State Elections Council said he had 49.4 percent of the votes to 43.8 percent for Mr. Correa, the 34-year-old former mayor of Mérida, the state capital. Mr. Cervera was careful, however, not to proclaim himself the clear winner.

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ASIA

17 Jailed Chinese Dissidents Boldly Appeal for Freedom

Compiled by Our Staff From Dispatches

BEIJING — Seventeen Chinese dissidents imprisoned for political acts during the 1989 Tiananmen democracy protests have appealed to Parliament for their freedom — or at least better prison conditions.

The handwritten appeal to the National People's Congress and its chairman, Qiao Shi, was issued by Yu Zhijian, imprisoned for life in 1989 for throwing eggs at the huge portrait of Mao Zedong that hangs in Tiananmen Square in Beijing.

Mr. Yu said his appeal represented 54 activists imprisoned for their part in the 1989 pro-democracy demonstrations, which were crushed by the army on June 4, with heavy casualties.

"In these six years, we have never regretted the

road we have taken or the things we have done," Yu wrote. "Every day, in our hearts, we think of only one thing: reverse the verdict on June 4."

Risking police harassment and arrest, activists have issued several petitions in the days leading up to this year's sixth anniversary of the June 4 crackdown, urging prisoner releases, tolerance of political dissent, a parliamentary reappraisal of June 4 and a public accounting of how many people died.

It was not immediately known how Mr. Yu's bold appeal, dated May 23, emerged from No. 1 Prison in Yuanjiang, in central Hunan Province, where the 54 dissidents are imprisoned.

Seventeen inmates put their names on the appeal, including two colleagues sentenced to 20 and 16 years for the Tiananmen egg-throwing and 14 activists given terms of 10 or more years.

Thirty-seven dissidents serving shorter terms told Mr. Yu they supported the appeal but declined to give their names for fear of jeopardizing their release, he wrote.

Saying he accepted that action would be time-consuming and difficult, Mr. Yu suggested that Qiao Shi and Parliament take a gradual approach — starting by assuring that a Prison Law promulgated in December be aggressively enforced.

The law forbids prison beatings and other humiliations, which Mr. Yu said warders at Yuanjiang employed with impunity. His appeal contained several examples.

As a second step, congress should set up a panel to review the 54 prisoners' cases, which Mr. Yu said were investigated and tried in a climate deeply tainted by the June 4 crackdown.

"Few of us even had lawyers," Mr. Yu wrote. "I had a lawyer but rather than defend me, he only urged me to admit my guilt. How does this kind of lawyer differ from the prosecutor himself?"

Finally, "various means" such as early parole and release for medical treatment "could be used to restore our freedom," Mr. Yu wrote, adding more than 10 activists had chronic illnesses.

Mr. Yu again defended his own act of political dissent. He said Mao should be held responsible for modern China's worst calamities — the Great Leap Forward of 1957-60 and the Cultural Revolution of 1966-76 — which cost up to 30 million lives.

"Six years ago our objective was to let people realize that Mao Zedong was not a god, but a criminal," Mr. Yu wrote. (Reuters, AFP)

BRIEFLY ASIA

North Korea Asked to Free Trawler

SEOUL — The head of the South Korean Red Cross asked North Korea on Wednesday to return a trawler and its crew that was fired on and seized inside North Korean waters.

Kang Young Hoon made his appeal in a state radio broadcast addressed to his northern counterpart, Lee Song Ho, a day after the 103-ton Woonsoong 86 was seized inside waters controlled by the North.

A South Korean Defense Ministry spokesman, in a report on its preliminary investigation, said a malfunction of the fishing boat's compass might be to blame for the incident. The boat was returning from China where it had been held since Saturday for fishing illegally in Chinese waters.

"It is presumed the main compass of the trawler, which had poor navigation equipment, was out of order at the time of abduction, misleading the boat into the high seas that the North unilaterally claims is under its navy's operational control," he said. (Reuters)

A Night Session in Korean Talks

KUALA LUMPUR — Hours after grim-faced U.S. delegates left their latest round of nuclear talks with North Korea on Wednesday, they sat down once more to negotiate at an unusual night session.

The night session, the first since the talks started May 20, was held away from the eyes of the news media.

"We had an hour and a half meeting at the North Korean Embassy," the top U.S. delegate, Thomas Hubbard, said in a two-sentence statement released shortly after the session ended.

Working-level negotiators, without the top delegates, are to meet Thursday, he said. The morning session had lasted less than half an hour, raising speculation of stalled talks. (AP)

Rights Group Is Critical of China

BEIJING — China has tortured political prisoners and jailed some on trumped-up charges in the year since President Bill Clinton delinked human rights from preferential trade status, a human rights group said Wednesday.

Dissidents have been beaten, mutilated and submitted to electric shocks while in police custody, and denied medical treatment and visits from family, the New York-based Human Rights Watch/Asia said in a report.

The group released the report to coincide with arrests on dissidents across China in recent days to curb dissent before Sunday's anniversary of the 1989 military suppression of demonstrations centered on Beijing's Tiananmen Square.

One year after President Clinton renewed most favored nation status for China, it said, "the Chinese government continues to impose tight controls on dissent and to engage in a pattern of systematic abuse of prisoners." (Reuters)

America's China Policy Is Assailed

HONG KONG — Washington's handling of relations with Beijing is hurting the ability of those Chinese who were once willing to deal with Western concerns, a veteran U.S. diplomat said Wednesday.

The diplomat, Burton Levin, a former ambassador with 40 years of experience in Asia, said Washington's policies were demonizing China in U.S. eyes and feeding nationalist antagonism in Beijing, to the detriment of both sides.

"We are strengthening the hands of the know-nothings in China, because those in China who want a more open, less suspicious, less traditional China, are handicapped in moving in that direction because it would appear they are carrying the case for the United States," he told reporters. (Reuters)

VOICES From Asia

Tokuichiro Tanazawa, the Japanese Defense Agency chief, in an unusual address broadcast live to all bases and posts in the country on Wednesday to announce that rigid discipline would be enforced after a series of arrests of soldiers who were followers of a doomsday cult sect linked to the nerve gas attack in Tokyo: "I urge you to take a firm stand in line with the troops' discipline and responsibility against any kind of approaches from the outside by anti-social and anti-national groups." (Reuters)

Faisal Tanjung, Indonesia's armed forces commander, responding to reporters' questions on the possibility that the Natuna Islands, which are 400 nautical miles southwest of the disputed Spratly Islands, could be claimed by other countries: "Natuna obviously belongs to Indonesia. And it is also obvious that it is the task of the armed forces to guard any part of Indonesia's territory." (Reuters)

Chang Jue-jen, the Taiwanese official in charge of cultural exchanges with China, announcing that Taiwan would soon lower restrictions on visits by Chinese journalists as a gesture of goodwill: "The liberalization is meant to show our sincerity in promoting news exchanges between the two sides, and we expect Chinese authorities to do likewise." (AFP)

Main Party and Foes Divide India's Spoils

NEW DELHI — India's governing Congress (I) Party and a divided opposition on Wednesday split the outcome of provincial elections that were seen as the last popularity test before parliamentary elections next year.

The Congress Party won 10 of 23 seats across half of India's 25 states that voted Saturday to elect 26 lawmakers, officials and news reports said. Results were still awaited for three seats.

General elections are scheduled to be held early in 1996, after nearly five years of Prime Minister P. V. Narasimha Rao's government.

Mr. Rao's party, which split on May 19 over policy and was expected to fare poorly in the elections, said it was happy with the outcome.

"We have done very well," said the party spokesman, Ved Prakash. "It indicates that people are appreciating our policies. The results will surely be reflected in the general elections."

The Congress Party's victories came in its traditional strongholds, including one in the western state of Maharashtra, where it was voted out two months ago in an unexpected victory by two pro-Hindu parties.

The party's chief ministers of the states of Kerala in the deep south and Orissa in the east won handsomely, brushing aside stiff opposition challenges.

The Congress Party however, performed miserably in the populous northern belt, where two of its candidates failed to get even 6 percent of the votes cast.

"We have to make an effort in these areas to regain our influence," Mr. Prakash said.

A centrist party and leftists won three seats each, while two seats each were won by three parties, including the Hindu-revivalist Bharatiya Janata Party.

The Bharatiya Janata Party, which hopes to unseat the Congress Party in the 1996 parliamentary polls, was disappointed.

"We did expect to perform better," said Sushma Swaraj, the party's spokeswoman. "Most parties have retained their seats in these by-elections."

The 110-year-old Congress Party has been in the doldrums since losing power in five major states beginning in December. The defeats set off a revolt against Mr. Rao, who is also the party's president.

True to His Word, Tokyo's New Chief Scraps Fair

By T.R. Reid
Washington Post Service

TOKYO — It may well cost Tokyo tens of millions of dollars, but Yukio Aoshima demonstrated Wednesday that he is a man who keeps his promises.

The newly elected governor of Tokyo announced that he would cancel the planned World City Exposition, a huge international fair that had been scheduled to open here next spring for a 10-month run.

Killing the project was a pillar of Mr. Aoshima's campaign this spring. He maintained that the billion-dollar project would be a money-loser for the city government. But city accountants said killing the project at this late date, with construction well under way and hundreds of contracts signed, could cost \$50 million to \$70 million more than going ahead.

These figures may be suspect, since the bureaucrats, who produced them are said to be strong backers of the expo. Key business interests, particularly in real estate and tourism, also want the fair to go ahead on schedule.

But Mr. Aoshima said Wednesday that the money and corporate backing really did not matter. He said the crucial thing, at a time when the people of Japan are deeply cynical about their elected leaders, is proving that a politician can stand by his word.

"The issue here is not money, but the validity of a public pledge," he said. "Any money lost, or gained, can be made up eventually. The bigger question is whether Aoshima is a man who keeps his promises."

In April, when Mr. Aoshima was elected governor of this teeming capital — Tokyo is considered a state govern-



Mr. Aoshima announcing Wednesday that he will cancel the World City Exposition.

ment, not a city — some observers wrote him off as a "former comedian." While accurate — Mr. Aoshima was an actor in situation comedies in the 1960s — he left the entertainment business 24 years ago to become a politician. And he has clearly mas-

tered the calling, as his decision on the World City Exposition demonstrates. In this case, he successfully portrayed himself as a gutsy, principled leader, even while making a choice that the vast majority of his constituents preferred all along.

For weeks now, Mr. Aoshima has been holding public hearings on the fair, although he had already made his position clear in the campaign. He put off a final decision several times, so that he was the center of national attention Wednesday when he went on televi-

sion to announce he had made the popular decision.

Opinion polls and editorial views have largely agreed that a billion-dollar city fair is far too expensive when Japan is mired in its longest recession in 50 years.

Mr. Aoshima quite vividly portrayed himself as the opposite of Japan's increasingly unpopular prime minister, Tomiichi Murayama, who is constantly attacked here as weak and spineless.

Mr. Murayama, a liberal from the Social Democratic Party, cut a deal with Japan's most conservative party last year to gain the post of prime minister. At the urging of the conservatives, he has since cast aside most of the basic tenets of the Socialists.

Mr. Aoshima alluded rather broadly Wednesday to the prime minister's conduct. "We are approaching the pivotal point for public distrust of politicians," he said. "We risk a crisis in our democracy."

What Japan needs right now, Mr. Aoshima said, "is to demonstrate that a political pledge means something." By keeping his campaign promise to kill the fair, he said, he has "demonstrated the meaning of responsibility in politics."

Mr. Aoshima ran for his new job as an independent, easily defeating the candidates from the major parties. His first two months in office have been marked by battles with the Tokyo Legislature, which is filled with major party politicians.

In the case of the city fair, the legislature agreed last week by a landslide vote of 100 to 23 that the project should go ahead. But the final decision rests with the governor, and it does not appear that there is any easy way for the legislature to reverse his decision.

Women Dominate in One Sphere of Japan: TV News

By T. R. Reid
Washington Post Service

TOKYO — The dismissal by CBS News of Connie Chung as one of the two principal anchors on the main evening newscast has again raised questions as to whether a woman can ever reach the very top in television news.

The answer may be iffy on American networks, but in the world's second-richest television market, the issue is settled: On Japan's network news shows, women rule the airwaves.

Of the five national commercial networks' flagship evening news shows, three have female anchors. The Nippon Television network's nightly news show, in fact, had a dual-anchor showdown that closely paralleled the Dan Rather-Connie Chung struggle at CBS. In the Japanese case, though, it was the woman who emerged as sole anchor. Since then, ratings have tripled.

Until the late 1980s, almost any woman on Japanese television news was expected to be a pretty young thing whose chief role was to nod approvingly when the men talked.

But the female anchors who dominate the network news here now are experienced, opinionated journalists. Most of them speak English. They are also generally older than the male reporters on their programs — a crucial distinction in a Confucian society where seniority and respect generally go together.

All this has happened in a country that is not exactly famous for equality of the sexes.

More than half the women in Japan today hold jobs. There is a growing cohort of female junior executives — a status known here as *kya-ree-ah oo-man*, the Japanese pronunciation of "career woman." But almost all Japanese businesses, institutions and public agencies remain male at the top.

The movement for equal rights in the workplace seems to be lagging — except for in this one particularly prominent workplace.

"It is kind of an anomaly to think that Japan has surpassed America in any area of opportunity for women," says Misuzu Tamaru, 42, a veteran woman correspondent who anchors the weekly current events program "Information Special."

"But when you scan the news shows at night," she says, "it's really clear that women are in charge."

The chief reason for the ascent of the anchorwoman seems to be one that U.S. networks can readily understand: ratings.

"The commercial networks here are so competitive that they don't really care whether the anchor is male or female," says a media critic, Nobuhiko Shima.

"They will put anybody on the air who raises the ratings. And these women are getting good ratings."

The nightly news programs here are crucial to the networks, for both profits and prestige.

The battle of the giants comes late here. The most intensive competition runs between 10 P.M. and midnight, when the national commercial networks each broadcast hourlong news shows.

Most of these programs have English-language titles, because English conveys a cosmopolitan, up-to-the-minute feeling. Thus a news-hungry viewer at the end of the day can choose among such programs as "News 9," "News Station," "News Forest" and "World Business Satellite."

With all those trendy names, the nightly news show on Nippon Television seems almost quaint: It is called "Kyo no Dekigoto," the Japanese for "Today's Events." And yet it was this show that took the bold step that really launched the era of the anchorwoman.

In the spring of 1990, when "Kyo no Dekigoto's" ratings were sick and getting sicker each month, network executives decided on the dual-anchor format, with one man and one woman sharing authority, was a key problem. NTV decided to switch to a single news anchor.

It was generally assumed that the show's male anchor, the respected journalist Yuichi Aoyama, would get the job. But then his partner, Yoshiko Sakurai, did a surprising thing: She spoke up and said she would like to be the anchor.

With the show scoring an anemic 4 percent in the nightly ratings, NTV executives decided to take the daring leap. Miss Sakurai got the anchor job — and the network has never looked back.

By March of this year, the show's ratings share had climbed to 10 percent of the audience. Following the national fixation on the Aum Shinrikyo cult and the use of poison gas in the Tokyo subway system, Miss Sakurai's nightly ratings were around 20 percent.

Sri Lanka Rebels Strike An Army Base in East

Agence France-Presse

COLOMBO — Tamil Tiger rebels attacked another Sri Lankan Army camp Wednesday, despite calls from moderate Tamils and foreign governments to revive talks to end the civil war here, defense officials said.

About 200 rebels of the separatist Liberation Tigers of Tamil Eelam assaulted an army outpost before dawn at Wahalkada in the island's east, killing a guard, a defense official said.

Another soldier was killed and two were wounded in a battle in the same region, the army said, adding that it had killed two guerrillas.

The Tigers have been fighting Colombo for an independent state in the northeast for 23 years. More than 50,000 people have died in the war.

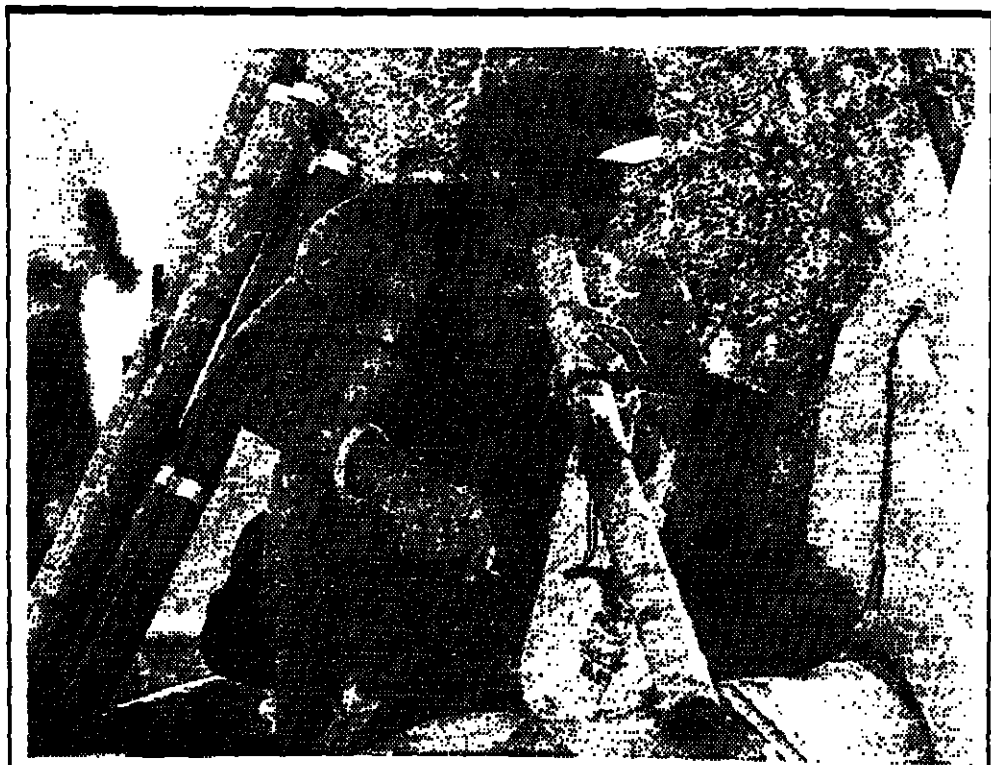
The latest violence followed an attack Sunday on another

eastern camp that killed 26 soldiers. The rebels also have been accused of the massacre of 44 civilians last week, and of the assassination of a leading Buddhist monk.

The fighting was renewed in April, after the Tigers withdrew from peace talks with the government of President Chandrika Bandaranaike Kumaratunga. The army said 307 soldiers and 293 rebels have been killed since then.

The latest attack came barely 12 hours after the moderate Tamil United Liberation Front called on both sides in the war to resume talks.

The front said in statement that it had "appealed to both parties to the conflict to resume political contacts, to de-escalate the fighting and to create conditions conducive to peace and reconciliation."



SMOKING BREAK — A bamboo pipe maker in Zhuhai, China, taking time out for a puff Wednesday. It was World Anti-Smoking Day, and many smokers abstained.

Murayama Gets Tough On Apology For War

Reuters

TOKYO — Prime Minister Tomiichi Murayama threatened Wednesday to break up his coalition government if his conservative allies continued to thwart his plan that Japan apologize for its role in World War II.

Mr. Murayama told a cabinet colleague that he may have to dissolve the government if the Liberal Democratic Party blocked his plan to push an apology resolution through Parliament, the Kyodo news agency and NHK television said.

"Both as head of the party and the government, I may have to act with grave determination if the resolution is not passed," Kyodo quoted Mr. Murayama as telling his Socialist labor minister, Manso Hamamoto.

In Japanese political jargon, a prime minister's use of "grave determination" usually means he might resign or dissolve Parliament.

Mr. Murayama and his government face nationwide elections for half the seats in the 252-member House of Councillors in July, but he need not call elections for the more powerful lower house, the Diet, until 1997, although he may do so anytime.

Mr. Murayama said his deadline for the parliamentary resolution was June 18, the last day of the current 150-day session. The prime minister in 1991, Toshiki Kaifu, used the words "grave determination" against his own party, the Liberal Democrats, when it opposed his electoral reform package. His main allies then withdrew support and Mr. Kaifu resigned.

It was Mr. Murayama's first reported threat to dissolve the coalition. Until now, the threats have come only from Socialist Party executives.

In June 1994, when the three parties formed the Murayama coalition, the Socialists, their former arch-rivals the Liberal Democrats and the small Sakigake party agreed to pass such a parliamentary resolution to mark the 50th anniversary of the end of World War II.

It might not be a good time for Mr. Murayama to call an election. His popularity ratings have fallen because of his response to the Kobe earthquake in January and the rise of the yen. Abroad, he faces a stinging trade fight with the United States over cars.

Hawks in the Liberal Democratic Party have campaigned heavily against the proposed resolution. They number about 140 of the Liberal Democratic Party's 208 members in the Diet.

Yoshi Kono, the Japanese foreign minister and president of the Liberal Democrats, tried to reach a compromise with Mr. Murayama on Tuesday.

Mr. Kono's representatives said they would accept a statement that apologized for "Japan's aggression" until 1945, but said they would not agree to apologize for Japan's "colonial rule" of other nations in Asia.

The champion of the Liberal Democrats' right, Seisuke Okuno, criticized Mr. Kono's approach. "We must stop the move toward a compromise that would hurt the national interest," Mr. Okuno said at a rally.

But Mr. Murayama insisted that both phrases stay intact.

Paris's Trail Was Too 'Obvious' In Rainbow Warrior Attack

Agence France-Presse

AUCKLAND, New Zealand — The police officer who led the inquiry into the bombing of the Greenpeace ship Rainbow Warrior 10 years ago says the police initially dismissed as too obvious the idea that the French were involved, a newspaper reported Wednesday.

Allan Galbraith, a police assistant commissioner who is to retire next week, told The Dominion: "We were concerned

for some time that the French may have been set up by someone who planted evidence."

"They left such an obvious trail," he added, "that a French connection seemed unlikely."

"It was such an obvious trail that we actually held off making a decision to look for them," he said.

The Rainbow Warrior was to sail from Auckland to protest French nuclear testing in the Pacific.

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

No More Chernobyls

Nuclear safety is going to be a little harder to maintain than the world had expected. It is not future reactors that are the central concern, but rather the old ones in the former Soviet Union. Two cases illustrate the threat they represent.

The Chernobyl situation is comparatively simple. The Ukrainian government concedes that the plant is dangerous and agrees that it ought to be shut down. Of the four obsolete reactors there, one blew up in 1986 in the most damaging accident in the industry's history. Another unit was shut down in 1991 after a fire. Ukraine keeps the remaining two going only because it is desperate for the electricity they produce, and it is taking steps to replace them with generators that run on natural gas. But that will be expensive, and Ukraine does not have the money to do it. If Ukraine's rich friends want the Chernobyl plant closed, they will have to come up with a substantial contribution to the cost — several billion dollars, the Ukrainians suggest. The rich countries have reluctantly put it on the list of things to discuss at their annual economic meeting in Halifax, Nova Scotia. The Armenian case is harder. The nuclear plant at Medzamor was shut by the

Soviets after an earthquake in 1988. The West regards both the design of the plant and the location to be inherently dangerous. But Armenia has been reduced to primitive misery by its lack of power, not only for industrial production but simply for keeping warm in a harsh climate. With fuel and some technical advice from Russia, the Armenians are now about to restart the Medzamor reactors.

Armenia is close to the tremendous Caspian oil fields. But between them lies Azerbaijan, with which it has been at war since the Soviet Union collapsed. Azerbaijan has cut off energy imports from the east. On the other side lies Turkey, also unfriendly and also blocking Armenia's access to its only possible source of electricity that is vital to its survival. Armenia illustrates the truth that safe nuclear power requires stability. That means, first of all, geological stability — the absence of earthquakes. But beyond that it also means political stability — the absence of war and turmoil. The risk of nuclear disaster is now added to the toll of the endless warfare in the lands between the Caspian and the Black Sea.

— THE WASHINGTON POST

Kenya Defies Aid-Givers

Kenya's dictatorial president, Daniel arap Moi, seems unwilling to learn from his experiences with international aid donors. Four years ago, donors suspended development assistance to Kenya because of its human rights abuses, economic waste and corruption. The moratorium was lifted in 1993, after a period of limited political and economic reform, and late last year donors pledged \$800 million in new financial assistance.

But almost immediately after these pledges were made, Mr. Moi's government slackened economic reform and escalated political repression. In the last few months it has forcibly relocated thousands of people from the Kikuyu minority, jailed opposition politicians, persecuted human rights advocates, denounced Kenya's Roman Catholic bishops and hounded media critics. After the anthropologist Richard Leakey announced plans to form an op-

position party, the government countered with a campaign of inflammatory racial invective, suggesting that Mr. Leakey, who is white, was supported by European governments and Washington and had sought help from the Ku Klux Klan.

Some donors, like Germany, have already responded by sharply scaling back their aid pledges. Others are pushing to convene an emergency donors' meeting in July, four months ahead of schedule. Perhaps that will induce Mr. Moi's government to ease up on its critics and resume reforms. If not, other donors are sure to reduce aid. The aid-givers' renewed attention to human rights makes pragmatic as well as principled sense. So long as Mr. Moi persists in putting his personal power ahead of the political and economic rights of the Kenyan people, scarce development dollars would be better spent elsewhere.

— THE NEW YORK TIMES

Environmental President?

President Bill Clinton, whose record on conservation issues has been tepid, may yet turn out to be the best line of defense against Congress's blitzkrieg on America's environmental laws. In the last three weeks, he has promised to veto so-called "takings" legislation that would reward private landholders at the expense of important community values. He has promised to veto a budget rescission bill that would allow indiscriminate logging on federal land. On Tuesday he promised a third veto, pledging that a House bill gutting the Clean Water Act of 1972 "won't get past my desk."

Mr. Clinton was slow to grasp the threat, possibly because the Republican attack on the laws and regulations that protect America's natural resources has been a masterpiece of legislative subterfuge — seductively packaged as "deregulation," "property rights" and "balancing the budget." Much of this has been the House's handiwork, which the Senate must undo. But in cases where the Senate has joined the attack, Mr. Clinton will have to stick to his veto pledges. Here is the legislative state of play as Congress takes a brief recess from its destructive behavior.

Clean Water. The House bill, written in large part by industry lobbyists, eases pollution controls for industries and cities, shifts many regulatory responsibilities to the states and lifts protections for at least half the nation's wetlands. Wiser heads must prevail against this huge sellout in the Senate, which has yet to begin work on a bill.

Risk Assessment. Under the guise of making regulators conscious of costs, the House passed a "reform" bill with so many layers of review that it would undercut Washington's ability to promulgate any environmental rules, good or bad. Senator Bob Dole, eager to board the anti-regulatory bandwagon, proposes a similar recipe for paralysis. A better bill requiring regulators to pay attention to costs without destroying their ability to protect the public has been offered by Senator William Roth, Republican of Delaware. The Senate's choice will say much about where it lies on environmental issues.

National Forests. Virtually identical

bills passed by both houses would rapidly accelerate logging on federal lands, overriding all existing environmental protections. Until Vice President Al Gore pointed them out, these provisions went unnoticed in the White House because they were craftily tucked into the budget rescission bill — a perfect illustration of Congress's stealth strategy of making environmental policy without calling it that.

Oil Drilling. With equal craftiness, both houses have passed budget bills with provisions exposing an ecological measure, the Arctic National Wildlife Refuge, to unneeded oil exploration. These provisions are advertised as a way to help balance the budget by raising about \$1 billion in sales of oil leases.

But they are mainly a sop to the oil companies and Alaska's politicians, who have been trying to get their hands on this federal wilderness for years.

Property Rights. The House has passed a "takings" bill that would indemnify owners against losses in property values caused by laws protecting wetlands, water quality and endangered species. Not to be outdone, Mr. Dole proposes to indemnify owners who claim to have been harmed by any government law. The costs could be enormous.

Taken together, these acts of legislative folly represent a decision by Congress to abandon, wholesale, its responsibility for national stewardship. They also represent a marvelous opportunity for Mr. Clinton to earn, speedily, an honorable claim to being an environmental president.

— THE NEW YORK TIMES

Other Comment

An Orderly Withdrawal

The wound to the United Nations [in Bosnia] can be mitigated and its recovery time shortened if an eventual retreat from the Balkans is not a ghastly rout but an orderly, planned withdrawal. The men and women serving in the UN Protection Force deserve that much. Their leaders have given them an impossible assignment.

— Los Angeles Times

PARIS — London and Paris have announced the only choice possible in the Bosnian crisis to reinforce, since the alternative of withdrawal concedes victory to aggression and would be — as Richard Holbrooke, the U.S. assistant secretary of state, has said — the West's worst defeat since the 1930s. Withdrawal is the more logical course and is probably an easier one to carry out, but would declare the entire international intervention since 1991 a failure.

Can reinforcement succeed?

The Bosnian Serbs are the obstacle to what the UN seeks.

France has asked for a strengthened UN mandate as well, but this seems unnecessary. The mandate already given to the UN Protection Force (with Russian acquiescence) tells it to defend humanitarian convoys and safe zones, remove heavy weapons from around those zones, and enforce these measures against any opposition.

In the past there has been no enforcement because the vulnerability of the supposed peacekeepers at work in the former Yugoslavia made this unfeasible. To attempt enforcement invited precisely the countermeasures the Serbs now have taken in retaliation for last weekend's NATO bombings. (That the bombings were ordered without anticipating this Serbian reprisal is hard to comprehend, even given the rashness of long-distance second-guessing of the UN Command.)

In the future the activities of the relief agencies must be limited to secure regions and UN forces re-deployed. The notion of impartiality must be discarded in recognition that the Bosnian Serbs are the obstacle to what the UN today demands, which is recognition of Bosnia's national existence within the frontiers, however unsatisfactory, delimited by the major powers' Contact Group.

It means, in practice, war by Unprofor against the Bosnian Serbs. However, this would be a limited war against a small and vulnerable, if determined, enemy, for a limited aim: their withdrawal to the Contact Group's borders, which have already been accepted (if grudgingly so) by

the Bosnian government. After that a struggle certainly would go on, covertly if not overtly, as each side tried to recover lost ground. But the European powers (who dominate Unprofor, and whose troops are supposed to execute UN resolutions mostly drafted by the European governments) will have fulfilled their mandate. However belatedly, the point will have been made that aggressive war in today's Europe will be punished.

The point is an unsatisfactory one, since Brigrade's Slobodan Milosevic, who started this war, will have a large part of the Greater Serbia he set out in 1991 to create, at the expense of Croats and the non-Serbian Bosnians, and he will profit from the defeat, if not the removal, of his principal political rival inside the new Yugoslav-Macedonian federation, the Bosnian Serbs' president (psychiatrist and failed poet), Radovan Karadzic.

He will also have the satisfaction of having created a radicalized and significantly Islamized Bosnian state — just as he had from the beginning accused the government of Alija Izetbegovic of already being. Deprived of outside support, treated by the UN as the same moral and political level as the Serbians attempting to destroy liberal and nonethnic government in their newly independent nation, the Bosnians have taken aim where they could find it, which has meant from the Islamic countries and in particular from Islamic fundamentalist forces.

However the "better" choice of reinforcement and execution of their UN mandate may not in the end be the one Unprofor carries out. It would prove difficult and costly, and 155 peacekeepers have already died in the former Yu-

By William Pfaff

goslavia. Some 350 more, as hostages, now are in real risk of being murdered. London and Paris may yet choose withdrawal. The reinforcement ordered Monday by London — heavy artillery and engineering troops, with an airborne force on standby — is what would be needed for a fighting withdrawal.

The United States supports reinforcement and staying on because a withdrawal would mean that Washington would be called on to fulfill its promise to supply troops to cover the withdrawal, and a primordial concern of the American government these days is to avoid having any of its professional soldiers actually engage in combat in the ex-Yugoslavia.

The U.S. position is the inglorious one of urging risks on others while keeping its distance from the unpleasantness consequent upon its advice being taken.

The main European powers, France and Britain, are chiefly responsible for the UN's having put French and British forces, plus those of the other countries that have contributed troops — principally Spain, the Netherlands, Sweden, Pakistan, Malaysia, Turkey, Bangladesh, and Canada — into jeopardy by giving them incoherent, mutually incompatible, and politically irresponsible instructions, beyond their means to carry out.

The European powers (Germany included) have followed a policy of risk-avoidance and appeasement that has prolonged the war for the Yugoslavs and facilitated "ethnic cleansing."

This has been a humiliation of Europe, which obviously invites other aggressions elsewhere. All this is understood today in London and Paris, and the two governments say that things are going to change. This, though, remains to be seen.

International Herald Tribune
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He's Hardly as Qualified as These Predecessors

By Thomas L. Friedman

WASHINGTON — In case you missed it, Jesse Helms, the chairman of the Senate Foreign Relations Committee, was at it again last week, pronouncing President Bill Clinton as "not qualified" to be the commander in chief of U.S. armed forces.

Mr. Helms said that he hoped Mr. Clinton would turn over any military decisions regarding intervention in Bosnia to the Joint Chiefs of Staff, because the president just wasn't up to the task. The North Carolina senator's comments stirred up the usual furor over at the White House, and were swatted away by Clinton spokesmen.

Frankly, I don't know what all the fuss is about. I mean, let's be honest. Jesse's right. Bill Clinton isn't fit to be commander in chief. All you have to do is compare him with a few previous presidents and it becomes obvious that Mr. Clinton lacks the experience. Here are 14 Clinton shortcomings just off the top of my head:

1. Mr. Clinton has no experience sending 3,000 marines to Beirut, without a defined mission and without proper weapons to defend themselves, so they could become sitting ducks on an airport tarmac and have 241 of them killed in their sleep by terrorists.

2. Mr. Clinton has no experience running up the national debt by \$1.5 trillion over eight years, so that there is no choice but to close half America's army bases, mothball every other aircraft carrier and severely restrict the ability of the country's military

forces to fight more than one war at a time.

3. Mr. Clinton has never vomited into the lap of a Japanese prime minister.

4. Mr. Clinton has no experience trading arms for hostages with Iran.

5. Mr. Clinton's White House spokesman has never dismissed Mikhail Gorbachev, the man who dismantled communism, as a phony "drugstore cowboy."

6. Mr. Clinton's secretary of state has never said that America had to go to war in the Gulf against Iraq because of "jobs, jobs, jobs."

7. Mr. Clinton's national security adviser has never sent Ayatollah Khomeini a Bible and a birthday cake shaped like a key, thinking that this was the way to the despot's heart.

8. Mr. Clinton never allowed the United States to be the tardy 37th country to recognize the independence of the Baltic nations, so as not to offend Moscow.

9. Mr. Clinton never looked the other way when Yugoslavia was first breaking up and a firm response might have made a difference.

10. Mr. Clinton has never lied to the American people about a secret war being waged by U.S. forces in Cambodia.

11. Mr. Clinton never turned a blind eye to North Korea during the 1980s, when it first started building a nuclear bomb.

12. Mr. Clinton has no experience cozying up to murderous thugs in Central America simply because they were anti-Soviet.

Why China, Not India, Is the Better Bet for Investment in Asia

By David K.P. Li

HONG KONG — Is India or China the better bet? Each is making the transition from centrally planned state economies to ones shaped by supply and demand. As a frequent visitor to both countries, I have seen the similarities. But the prospects for growth are not at all equal. China is by far the better Asian investment bet.

Chinese leaders started their economic reform program more than 15 years ago and

Most rural Chinese now have a direct stake in economic reform. Few Indians have experienced the benefits of reform.

began its economic reforms with a whimper when the government faced a balance-of-payments crisis in 1991. The country was forced to swallow bitter medicine prescribed by the International Monetary Fund. As a result, the process of reform has been very difficult.

The Defections From Rao's Party Should Be Good for Reform

By Sunanda K. Datta-Ray

SINGAPORE — It may not be an attractive analogy. But just as a snake sheds its skin periodically, India's ruling Congress Party renews itself from time to time by discarding its dead cells.

That is happening now, for the third time, as Atul Singh, the dismissed human resources development minister, N.D. Tiwari, another former cabinet minister, and a handful of other disgraced politicians, along with Prime Minister P.V. Narasimha Rao and others, have thrown the mantle of legitimacy. Rather like the royal pretender to a throne that is not vacant, Mr. Tiwari says he is president of the real Congress Party.

The beneficial effect of this revolt, which culminated in a recent rally in New Delhi of 50,000 people, is to purge the ranks of the party under Mr. Rao, removing those politicians who might have reneged on the economic reforms India has pursued since 1991 if they felt it politically rewarding to do so. The prime minister can now streamline his party ahead of next year's crucial general election and press ahead with the sadly neglected task — his greatest failure — of selling deregulation to illiterate rural voters, who make up nearly one-fourth of the population of 870 million.

This does not mean, however, that Mr. Singh and company are committed to a statist statisticket. Condemners for power in the Congress Party inevitably find it necessary to hide ambition behind an ideological fig leaf. When Indira

China reformed its economy from the bottom up, starting with agriculture. Rural enterprise developed as higher agricultural productivity generated savings. In 1978, there were 1.5 million township and village enterprises employing 28 million people; in 1994 there were nearly 19 million such enterprises, with 113 million workers. More than 70 percent of China's rural citizens have a stake in reform. This has not happened in India, which has yet to grapple with reform in the countryside.

China is creating growth and wealth. Economic reform has replaced Maoism as the country's ideology. It is supported by Chinese leaders who know the people have come to expect increasing affluence.

India's reform program is just four years old. It has yet to prove its political legitimacy. Reform in India is conducted from the outside in, and from the top down. It depends on a few individuals. Unfortunately it confronts powerful vested interests, including alliances between the bureaucracy and inefficient protected industries.

Consequently, few Indian politicians and

bureaucrats support reform. Just 6 million people depend on the industrial sector that has been the focus of reform. Some 600 million Indians have not experienced the benefits of agricultural reform. They are slowing India's growth and progress, and could become a destabilizing force because of the nature of the Indian political system. Despite the talk of liberalization, many politicians doubt that reform can win votes.

In terms of real purchasing power, China's middle class has surpassed that of India while its economic performance has, since 1987, raced ahead.

Many of India's people are fluent in English and highly educated. It has the oldest stock market in Asia and an established civil service. But its per capita economic output is less than half that of China's.

China has the spark plug of Hong Kong and its entrepreneurs; it also has a better educated work force than India's. The Chinese recognize the necessity of change because life for them is getting better. Almost the whole population now has access to sanitation facilities. In India, more than 80 percent do not. Infant mortality rates in India are double those in China.

Sadly, India's divisive system has led to

violence, corruption, vote-rigging and coercion at the ballot box. This is not democracy. Nor does it make it easy for a politician to unite voters behind reform.

China has its defects. But it is moving ahead. It continues to reform its legal and financial systems. It has begun to reform the inefficient parts of the state sector. It has hit hard at corruption.

Both countries do, however, share a tremendous advantage. They have pools of latent entrepreneurial talent. The success of their respective overseas communities is testament to their skill.

But the overseas Chinese have a stronger tradition of returning to the motherland. They are now the biggest investors in China, accounting for two-thirds of all foreign direct investment. In 1992, the overseas Indian community accounted for just 11 percent of investment in India. I cannot help asking myself: what do they know that I don't?

The writer is deputy chairman and chief executive of the Bank of East Asia Ltd. This comment was adapted by the International Herald Tribune from a recent speech he gave in Hong Kong.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Russian Infernos

ST. PETERSBURG — Another disastrous fire occurred [May 27] destroying part of the town of Vjshni-Volotchek in the province of Tver. The flames raged for a whole day, and despite the efforts of several fire-brigades they devoured over 300 houses and a wooden bridge. In addition to this disaster and the conflagration already reported at Kobrin, Grodno, Bielowost, Mokshan, Rouzhany and Yassinovka, reports are constantly being received of fires breaking out in villages and country houses, many of which are the work of incendiaries.

1920: Patrons of Virtue

ATLANTIC CITY — Several arrests were made here today [May 31] by new policewomen, expressly commissioned to safeguard the morals of this resort. The offenders in each case wore very abbreviated pongee silk one-

piece bathing suits, of which the skirts stopped four inches above the knees. One beautiful prisoner, not content with bare legs, had placed a "beauty window" in her bodice. The policewomen, all middle-aged and meekly armed in blue serge uniforms, patrolled the shore with an exactitude which sent bathers away with a shiver.

1945: Levant Cease-Fire

LONDON — British troops were instructed to restore order in the Levant today [May 31] at the behest of Prime Minister Churchill who, in a sharply worded message to General Charles de Gaulle, requested that French forces be withdrawn in troubled areas and confined to barracks "to avoid collision" with the British. Mr. Churchill demanded that General de Gaulle instruct French troops to "cease fire" and added that once order has been restored, "we shall begin tripartite discussion here in London."

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41 43 93 10. Fax: (1) 41 43 92 10. Telex: 41 43 92 12. Internet: BTF@uol.com

Editor for Asia: Michael Richardson, 5 Convent Road, Singapore 0511. Tel: (65) 733 7788. Fax: (65) 254 2534
Mrs. Ann, Rolf D. Knapf, 50 Gloucester Rd., Hong Kong, Tel: 852 2923 1158. Fax: 852 2923 1164
Mr. Gert, Gert, 1 Schiller, Frankfurt, 65 0029 Frankfurt, Tel: 49 69 72 67 55. Fax: 49 69 72 73 10
Produs: Michael Conn, 285 Third Ave., New York, N.Y. 10022. Tel: (212) 752 8941. Fax: (212) 752 6078
U.K. Advertising Office: 85 Long Ace, London WC2. Tel: (071) 836 4802. Fax: (071) 240 2231
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PATEK PHILIPPE

GENEVE

To all those with more than a passing interest in time, I extend this invitation to visit the new Patek Philippe showrooms on the Place Vendôme. For the occasion we have prepared a unique exhibition of "The Seven Crafts" essential to the creation of our watches. These precious skills and gestures, belonging to the great watchmaking tradition, have been perpetuated by our company from one generation to the next.

They are now revealed for the first time.

In its quest for perfection, our company has submitted voluntarily to the rule of the craftsman's hand for over 150 years. A Patek Philippe watch takes at least nine months to make and five years are required to complete certain models. The result is unmistakable. The enduring quality of such a timepiece is its owner's private victory over the uncertainties of a changing world.

We look forward to welcoming you, in one of the most prestigious locations in Paris, and to sharing our love of the watchmaking art with you.

Exhibition : 6th to 15th June, 1995

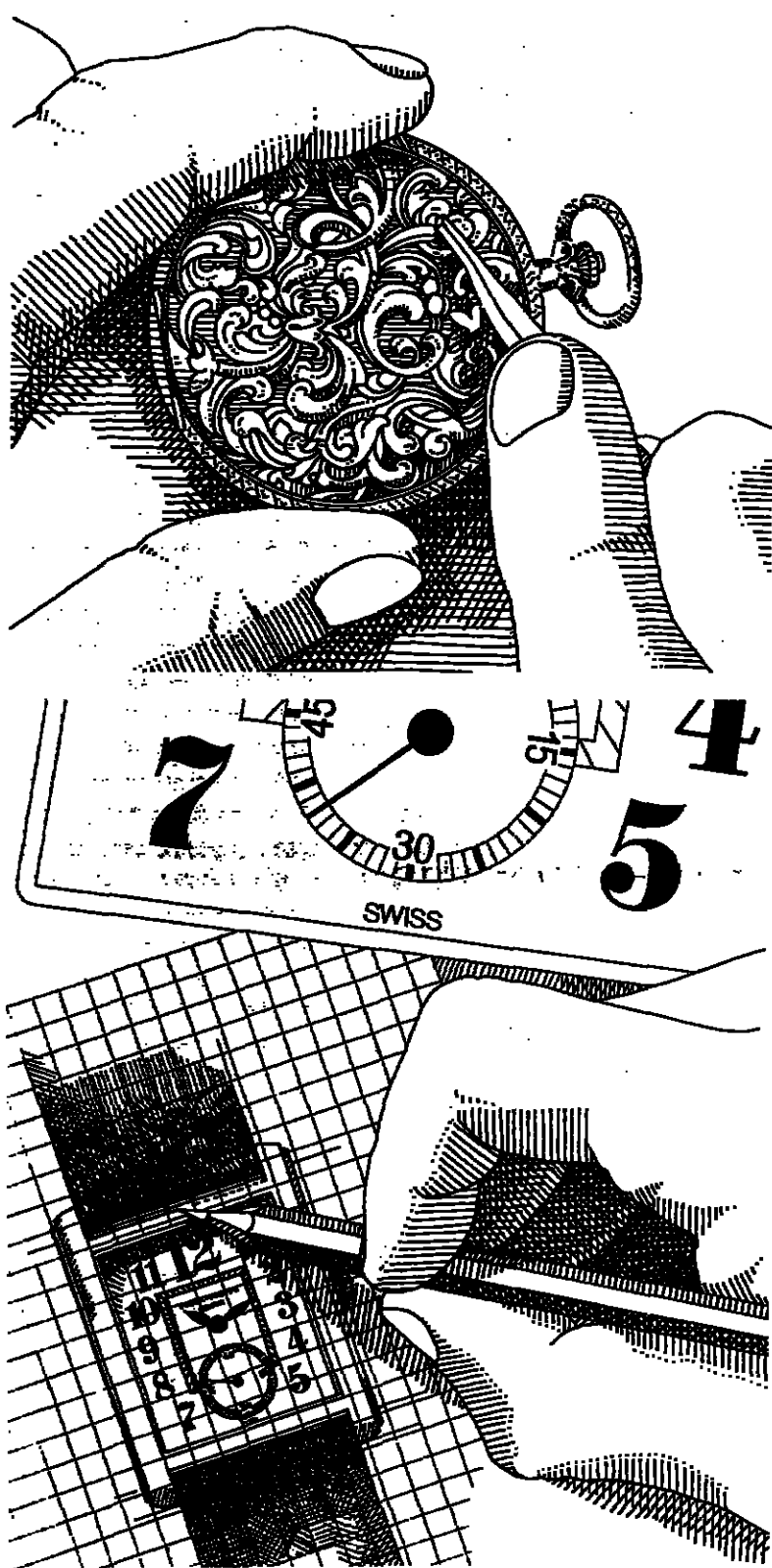
André de Montalembert
Managing Director,
Patek Philippe (France)

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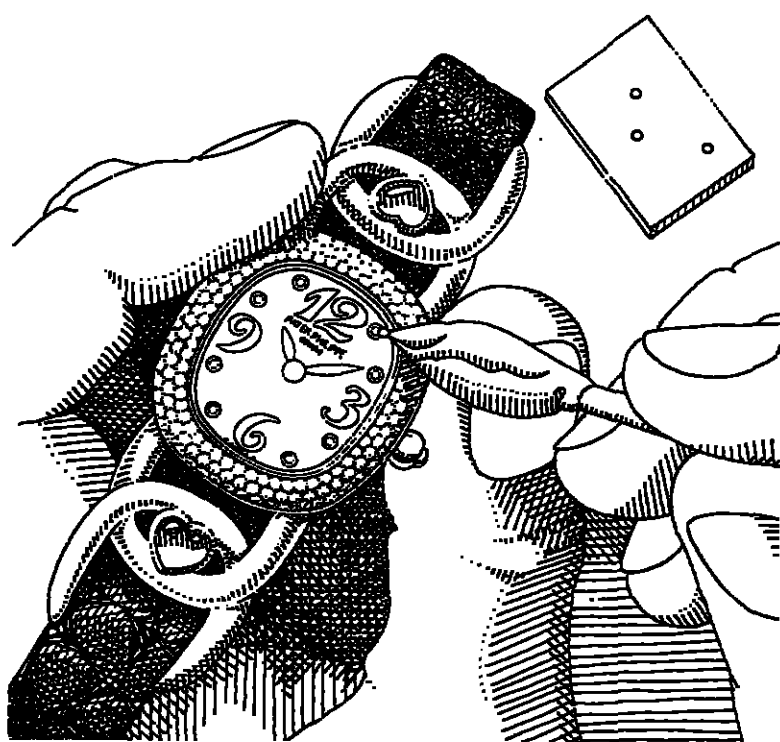
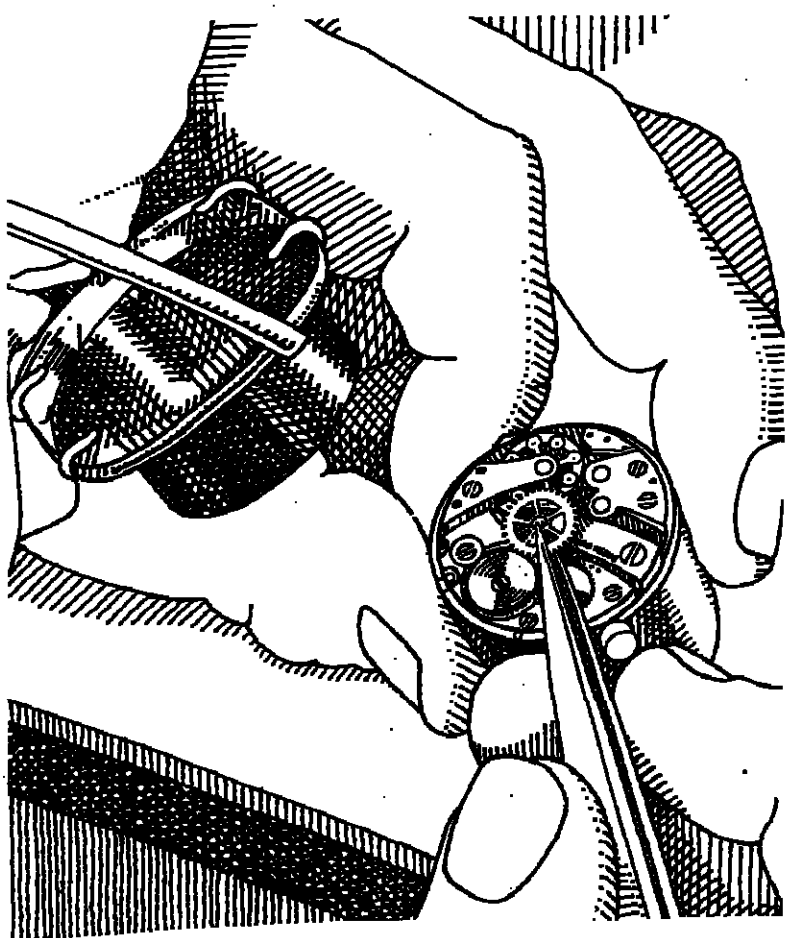


Seven new reasons for visiting the Place Vendôme

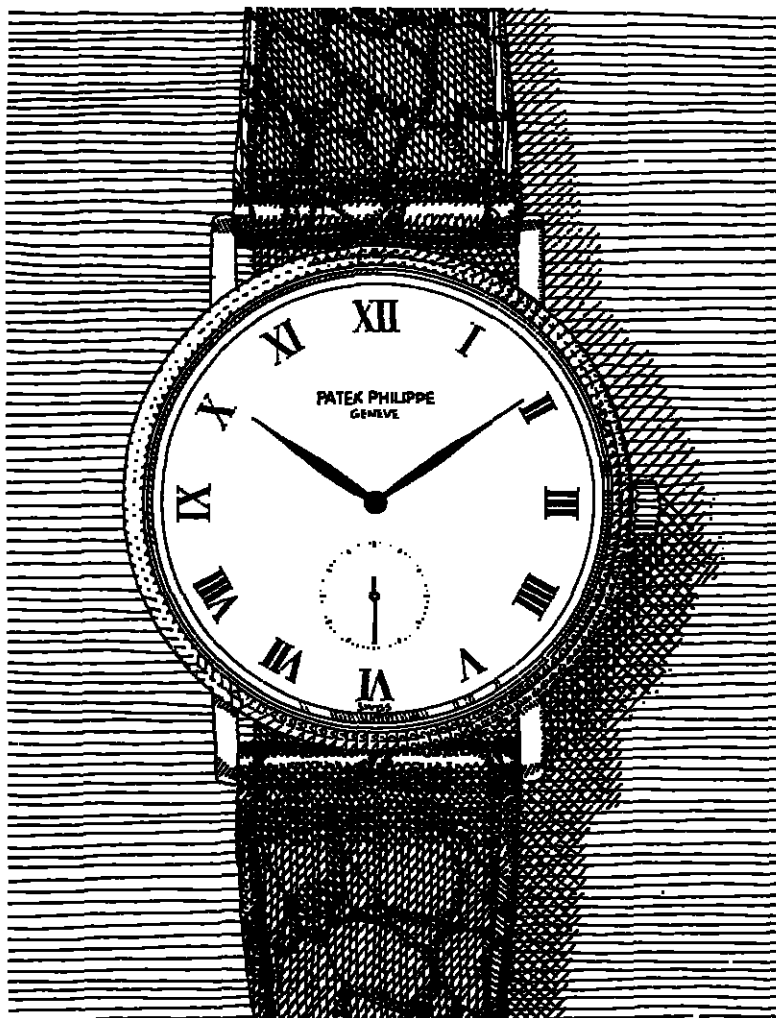
On the 6th June, Patek Philippe will open its doors for the first time onto the Place Vendôme. Inside those doors you will find the most exciting collection of our timepieces to date, from discreet, elegant classics to the legendary complications and the latest models in our ladies' collection. You will also find something as rare and minutely fascinating as the timepieces themselves: an exhibition entitled "The Seven Crafts of Patek Philippe".



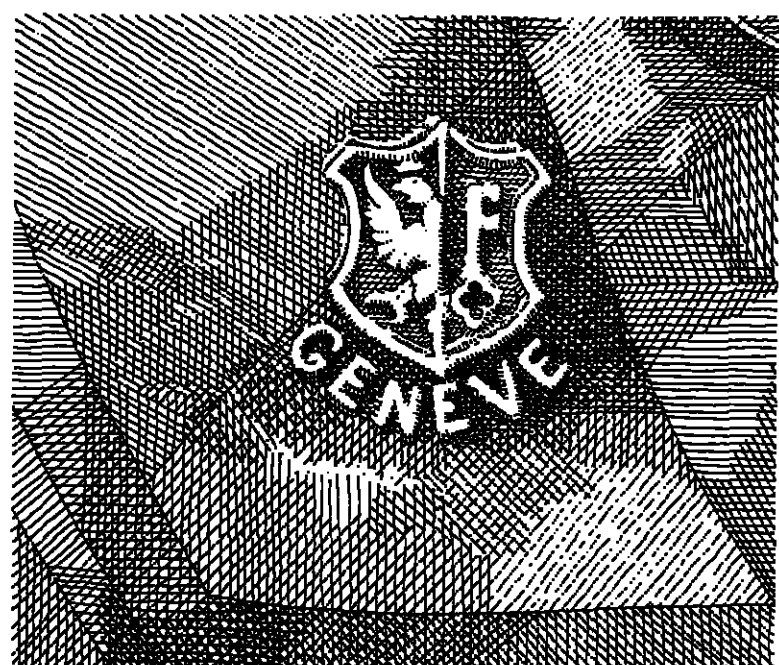
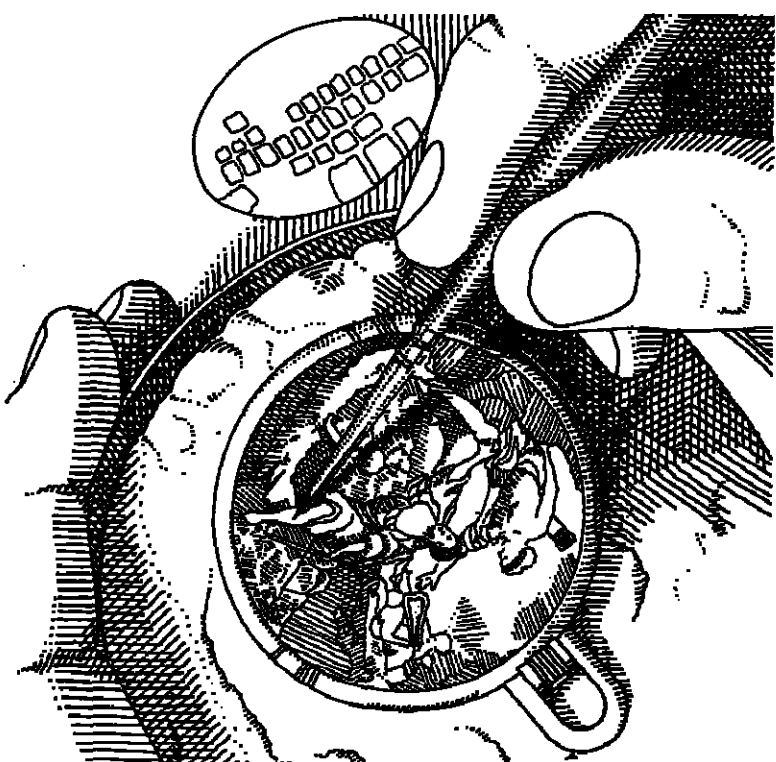
For the first time, we propose to share with you the secret world of those who make our watches: the designers, the watchmakers, the goldsmiths, the chainsmiths, the engravers, the enamellers and the jewellers. Their skills are particular to our home city, Geneva, and have made it the centre of fine watchmaking for over three hundred years. Today,



only Patek Philippe still practises all seven of these delicate, exacting crafts, and the world of our exhibition is therefore one that has almost vanished. When you enter, you will understand why our way of making watches has become so rare. You will meet an enameller who still spends 4 months painting a miniature masterpiece on the cover of a



pocket watch, sometimes employing a single hair for a brush. You will discover chainsmiths who insist on creating every bracelet by hand, and delight in creating new shapes and textures. There is also the jeweller, who still sets every precious stone according to an ancient and time-consuming method. Then there is the master engraver, whose bright-cutting, chasing and repoussé work is all



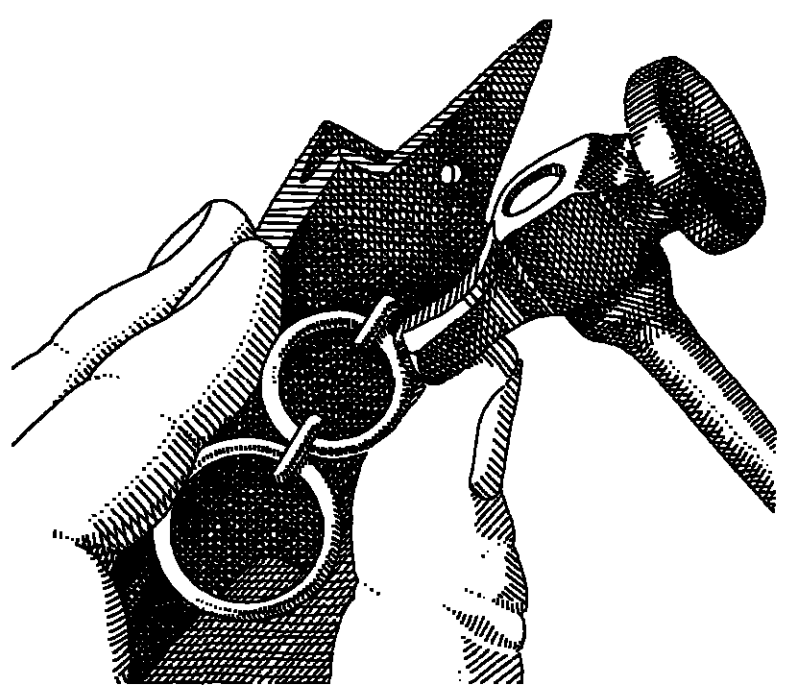
the more dazzling, because it was achieved with tools that date back to seventeenth century.

The artistry of our goldsmiths may be more familiar; they are known for the sumptuous touch they bring to a bezel. But perhaps our watchmaker will come as a revelation. You will discover an obsession with perfection that extends to decorating every tiny pinion and bridge of a movement that its owner may never see.

Our exhibition is as much about the spirit that drives us to preserve these age-old traditions as it is about the seven magical crafts themselves. It is the same spirit that many people say they feel when they first take a Patek Philippe watch in their hands.

The "Seven Crafts" exhibition will be accompanied by another, of treasures from the Patek Philippe private museum in Geneva. Rarely on view, these fabulous timepieces are an enduring testimony to the craftsman's skill.

We hope that you will enjoy our two exhibitions as much as we have enjoyed preparing them.



"The Seven Crafts"

Exhibition:

6th to 15th June, 1995



PATEK PHILIPPE
GENEVE

10, Place Vendôme, Paris

May 31, 1995

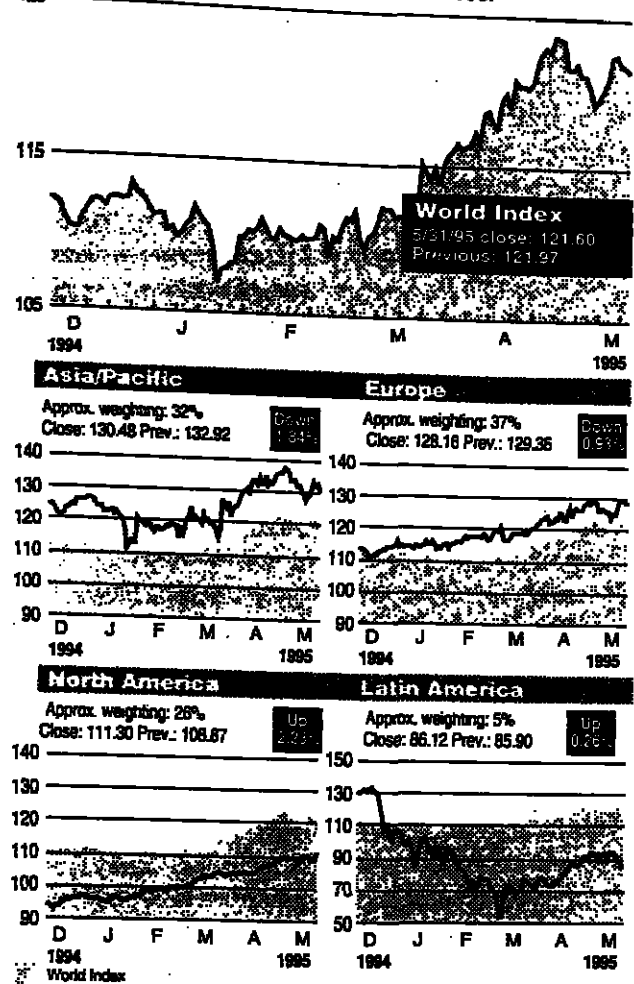
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every Wednesday

THE TRIB INDEX: 121.60
International Herald Tribune World Stock Index, composed of 286 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are listed.

Industrial Sectors							
	Wtd. close	Prev. close	% change		Wtd. close	Prev. close	% change
Energy	125.52	124.91	+0.49	Capital Goods	125.11	124.76	+0.28
Utilities	131.81	131.97	-0.12	Raw Materials	137.73	138.27	-0.39
Finance	120.48	122.41	-1.58	Consumer Goods	116.61	116.08	+0.46
Services	114.11	115.78	-1.48	Miscellaneous	131.45	132.04	-0.45

For more information about the index, a booklet is available free of charge. Write to Trib Index, 161 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Key Debt Talks Loom for Russia

Paris Club Accord Would Improve Credit Reputation

By Erik Ipsen
International Herald Tribune

LONDON — Russia is to begin two days of negotiations Thursday with Western officials as the optimistic will lead to a rescheduling of its \$40 billion in debt owed to Western governments, roughly a quarter of which falls due this year.

The debt rescheduling, a watershed event for Russia and the bankers and industrialists hoping to do business there, would come less than two months after Russia received one of the largest loans ever granted by the International Monetary Fund.

"I think the IMF agreement certainly signals just how much progress the Russians have made in their economic reform efforts," an American official in Paris said.

Some Western bankers now go so far as to predict that the deal expected in Paris this week will clear the way for Moscow to come to terms with its Western bank creditors later this month. With those two agreements in hand, Russia would have made huge strides in restoring its commercial credibility. Bankers said such progress could lead to Russia's re-entry into world capital markets as soon as next year.

"There are huge opportunities in Russia, and banks and industrial companies are eager to do business there, but until the Russians resolve their commercial credit obligations, no one is going to be willing to invest," a Western official in London said. "The commercial credibility they have lost in recent years is really hurting them."

A commercially credible Russia that could tap international money markets would benefit Western nations in several ways. It would take pressure, and risk, off the IMF, which has become Moscow's principal financial lifeline. It would also free up potentially huge private-investment flows to Russia. Such an influx of capital could have a huge positive impact on the Russian economy. It could also help sustain Moscow's reform efforts.

Bankers emphasize that any credit rating, no matter how poor, would mark a remarkable turnaround for Russia. "It is a powerful and rich country with big trade flows," said Ursula Beyreuther, senior economist at Deutsche Bank in Frankfurt. "It could ultimately get a credit rating above that of the Czech Republic."

As far-fetched as that would have sounded at the beginning of this year, many Western officials and bankers laud Moscow for, as one official put it, "making all the right noises" in recent months.

Russia has earmarked \$1.2 billion to service its debts to Western governments, the so-called Paris Club creditors. What is more, in March, it began paying interest on its foreign-bank debt; the payments had stopped at the end of 1991.

Those moves, coupled with progress in Russia's program of economic reform, helped the IMF decide in April to grant Moscow a 12-month loan of \$6.8 billion, the second-largest loan the IMF has ever granted. (The largest was the \$17.8 billion credit granted to Mexico in February.)

The Russian delegation, headed by Deputy Prime Minister Oleg D. Davydov, is expected to face tough negotiating when

it sits down Thursday with the Paris Club creditors. The Russians have asked for a multi-year agreement. But analysts say the Paris Club members, troubled by matters ranging from Chechnya to the size of Russia's budget deficit, are in no mood for major compromises. They are pushing for a mere one year rollover of Moscow's obligations.

While the precise nature of the deal remains to be seen, all parties are optimistic that some sort of deal will be struck. "There is a lot of pressure on both sides to do a deal," said Jonathan Hoffman, a senior economist at CS First Boston in London. "The West wants Russia to start paying again and Russia wants to be able to get back into the debt markets."

Absent from the negotiating table in Paris is any proposal for debt forgiveness. Bankers say Moscow has not even asked for it because it is eager to re-establish creditworthiness. "Debt forgiveness wouldn't help their credit rating," said one London-based banker. "It clears the debt, but it leaves a bad record of actually paying it off."

Ms. Beyreuther of Deutsche Bank estimated that Moscow had spent nearly \$500 million so far this year to restore its record as a good borrower.

Later this month in Frankfurt, Russian officials are to meet the Bank Advisory Committee chaired by Deutsche Bank. The committee represents all the foreign banks holding loans to Russia. Bankers hope those negotiations will lead to a multi-year rescheduling and to the payment of \$500 million in back interest this year.

Dow Posts Strongest Gain in 3 1/2 Years

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks surged to a record on Wednesday, posting their biggest one-day advance in three-and-a-half years, as the outlook for an economy growing fast enough to raise corporate profitability but slowly enough to keep inflation at reasonable levels encouraged investors.

The Dow Jones industrial average jumped 86.46 points, to a record 4,465.14, its largest one-

day gain since Dec. 23, 1991, when it rallied 88 points in response to an interest-rate cut by the Federal Reserve Board. The Dow Jones industrials have risen 16.4 percent so far this year and have climbed 18.8 percent over the past 12 months.

The Dow industrials are approaching the threshold of 4,500 only three months after eclipsing 4,000 for the first time.

The Standard & Poor's 500 Index soared 9.83, to a record

533.41, its largest daily advance since it climbed 9.93 points on Aug. 27, 1990. The Nasdaq Composite Index rallied 5.88, to \$64.58, but that level was shy of its record close of 87.94.

The catalyst for Wall Street's surge Wednesday was the perception that the economy was poised for a soft landing and was unlikely to tip into recession. Reports showing the economy grew at a revised annual pace of just 2.7 percent in the first quarter

and that April new-home sales fell more than expected sparked speculation that the slowdown was nearing its low point. The economy grew 5.1 percent in 1994's final quarter.

With some economists predicting that growth would grind down to just 1.5 percent in the second quarter, food, drug and other consumer-products stocks advanced on the notion

See MARKET, Page 12

EU Steps Into The U.S.-Japan Auto Dispute

Compiled by Our Staff From Dispatches

GENEVA — The European Union stepped firmly into the U.S.-Japan auto dispute on Wednesday, formally asking the United States to include it in upcoming consultations with the Japanese on the highly charged issue.

The request was made by Jean-Pierre Leng, the EU ambassador to the World Trade Organization, in a letter to the top U.S. trade envoy in Geneva, Booth Gardner, as Washington and Tokyo edged toward agreeing on a new date for the talks.

Clearly reflecting EU concern that any U.S.-Japan deal could work against European exporters, Mr. Leng said Brussels had "a substantial trade interest" in strict observance of WTO regulations. "These rules are essential for the good functioning of the multilateral trading system and for the dispute-settlement procedures under the WTO," he said.

In New York, the deputy U.S. trade representative, Charlene Barshefsky, said no progress had been made in the dispute. "We are still quite far apart," she said, reiterating the administration's view that the ball was "still in Japan's court."

She said significant differences remained in the three main areas of negotiation: access to the so-called after markets, or replacement-parts sector; availability of foreign makes in Japanese dealerships; and the initial parts market.

(Reuters, Bloomberg, APX)

Kerkorian Drops Bid For Chrysler

Bloomberg Business News

DETROIT — Investor Kirk Kerkorian scrapped his hostile bid for Chrysler Corp. on Wednesday after failing to find financing for the proposed \$20.51 billion transaction.

Mr. Kerkorian, Chrysler's largest shareholder, said his 10 percent stake in the automaker was not for sale. Still, his company, Tracinda Corp., said it had hired the Wall Street firm Wasserstein Perella & Co. as a financial adviser.

Some analysts said Mr. Kerkorian's withdrawal may have been a tactical measure to prepare for a new phase of his takeover attempt. Chrysler refused to comment.

Mr. Kerkorian mounted his bid for the company largely because of Chrysler's sagging stock price.

The stock soared 24 percent, to \$48.75, on April 12, the day Mr. Kerkorian made his \$55-a-share offer.

INTERNATIONAL MANAGER

At Westinghouse, Pay Is a Battlefield

By Jay Mathews
Washington Post Service

NEW YORK — Robert J. Clark, 82, drove to the Westinghouse Electric Corp. annual meeting in Limbicum, Maryland, this spring in his yellow Ferrari. He kept the speedometer above 70 miles (113 kilometers) per hour most of the way, his idea of relaxation, but once at the meeting, his fun stopped.

Like some other Westinghouse stockholders, Mr. Clark, an economist, was enraged that the company had paid its chairman, Michael H. Jordan, a \$700,000 bonus on top of his \$1 million salary despite a year in which Westinghouse stock had limped along under \$15 a share, about half of what it was four years ago, and its annual dividend was just 20 cents a share, a yield of around 1.3 percent.

The stock closed Tuesday on the New York Stock Exchange at \$14.25, and was trading at \$14.375 late on Wednesday.

Mr. Clark submitted a shareholder resolution that would have reduced top executive pay whenever the company cut the quarterly dividend. His protest of executive compensation at Westinghouse is a case study of one of America's hottest business issues of the 1990s.

Like its defenders argue that they have taken steps to link pay to performance, but Mr. Clark and others say Westinghouse has not gone far enough.

When the votes were counted at the meeting, Westinghouse had won this bat-

tle in the executive-pay war. Mr. Clark's proposal attracted only 14 percent of the votes. Another proposal to tie executive pay to dividends, submitted by former Westinghouse executive Rollin R. Brandenburg, got only 17 percent.

To meet shareholder criticism as its stock price declined during the early

The protest over executive compensation at Westinghouse is a case study of one of America's hottest business issues of the 1990s.

1990s, Westinghouse changed its compensation system. The company put more emphasis on financial performance, creating big rewards for executives who win profits for shareholders but keeping the annual salary for its chairman at the relatively modest level of \$1 million.

In its appeal to stockholders to reject Mr. Clark's proposal, the Westinghouse board said it was "in the best interests of the corporation and its shareholders to link compensation, particularly for executives, to corporate performance and increases in shareholder value."

But at the same time, the board said, the company "must have the ability to attract, retain and motivate high-quality

executives and other employees through compensation plans that are competitive as measured against norms and that reward employees for their individual job performance."

Mr. Clark and some other shareholders still feel their pockets are being picked by millionaires. Why, he asks, should Mr. Jordan — hired as CEO in 1993 because of his splendid record at other companies — be paid a \$700,000 bonus after Westinghouse's return to shareholders declined by comparison with standard industry indexes?

Westinghouse asserts that its performance improved in 1994 under Mr. Jordan's guidance. For the first time in four years, the company had a profit — a meager \$77 million, but a sharp improvement from losses of \$326 million in 1993 and \$1.4 billion in 1992.

Others question paying a big bonus to a CEO whose company's stock is sagging.

But Steven Kaplan, professor of finance at the graduate school of business at the University of Chicago, said shareholders who want their executives interested in the stock price should be happy that Mr. Jordan holds 500,000 shares of Westinghouse stock and has taken some of his bonus in stock options.

From that perspective, he said, the \$700,000 bonus, plus a \$185,000 long-term incentive bonus this year, looks less significant. "Every time the stock goes up a buck and a half, he has earned more than that bonus," Mr. Kaplan said.

Fraud Trial Usinor Set for Privatization

Begins for Maxwells

Bloomberg Business News

PARIS — Usinor S.A., Europe's largest steel company, will become the first state-owned enterprise to be offered for sale to the public by the new French government, officials said Wednesday.

The office of France's new finance minister, Alain Madelin, said the initial public offering would commence within the next few weeks "if the market is favorable." No further details were provided, except for an assertion that no layoffs were planned.

Usinor is valued by analysts at between 20 billion French francs and 25 billion French francs (\$4 billion and \$5 billion).

The French government, which directly controls 80 percent of the company, said the sale of shares would be accompanied by an increase in Usinor's capital of 5 billion francs through a rights issue that would primarily be open to employees.

The sale, coming so soon after the inauguration of France's new president, Jacques Chirac, reflected the new government's goal of moving quickly to sell giant state-owned companies, analysts said.

France has said it expects to earn about 55 billion francs from the sale of state-owned assets this year. So far, it has raised about 5 billion francs. The Usinor sale is expected to bring in about 10 billion francs.

Analysts said that François Mer, Usinor's chairman, had been pushing the government to launch the sale of the company before June, attempting to catch the top of the business cycle in the steel industry.

Skeptics abound, however. "Even with that attractive backdrop, I don't think it's going to be easy," said Peter Dupont, an analyst with UBS

Securities Ltd. "People associate steel with heavy losses. It tends to scare them."

Donald Hay, a portfolio manager at Edinburgh Fund Managers Ltd., concurred. "The top of the cycle is a dangerous time to be buying steel companies in general," he said. "Sure, it might last a year or so, but these things have a nasty habit of turning around on you."

In March, Banque Paribas and Merrill Lynch & Co. were picked by the government to advise it on the Usinor sale. In February, the steel company chose Credit Lyonnais and the investment house S.G. Warburg as its advisers.

Usinor executives have been urging the government to sell all but 10 percent of its 80 percent stake before the end of June, analysts said.

Tchuruk Named as Alcatel's New Chief
Serge Tchuruk, the chairman of Total SA, will succeed Pierre Suard as chairman and chief executive of Alcatel Alsthom SA, the companies said Wednesday, Bloomberg Business News reported from Paris.

Mr. Tchuruk, 57, is to take charge of the telecommunications-equipment manufacturer on June 22. Replacing him at Total will be Thierry Desmarest, 49, Total's head of exploration and production.

"If I had had the slightest doubt about the capacity of the teams in place to follow the actions planned, I would have refused the offer without hesitation," Mr. Tchuruk told a Total shareholders' meeting on Wednesday.

Mr. Tchuruk's appointment continued to boost Alcatel shares, which rose 13.8 French francs to close at 451.8 francs, after closing 16.2 francs higher on Tuesday.

CURRENCY & INTEREST RATES

May 1983												Eurocurrency Deposits												May	
Cross Rates																									
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Amsterdam	2.485	2.572	12.916	13.738	8.966	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Frankfurt	2.485	2.572	12.916	13.738	8.966	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
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Oslo	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Copenhagen	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Geneva	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Basel	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
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Prague	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
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Bucharest	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Belgrade	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Skopje	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Thessaloniki	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Sofia	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Bucharest	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Belgrade	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Skopje	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Thessaloniki	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Sofia	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Bucharest	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Belgrade	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Skopje	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Thessaloniki	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Sofia	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Bucharest	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Belgrade	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Skopje	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Thessaloniki	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Sofia	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Bucharest	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Belgrade	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Skopje	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Thessaloniki	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Sofia	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Bucharest	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Belgrade	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Skopje	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Thessaloniki	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Sofia	1.000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—							

THE AMERICAS

Charge! U.S. Credit-Card Boom

By Albert B. Crenshaw
and Jerry Knight
Washington Post Service

WASHINGTON — That person ahead of you at the express checkout — the one slowing down the line by using a credit card to charge \$8 worth of groceries — could be Judy Colbert, Sanford Beckett or Walter Grimes.

"Whenever possible, I charge," Mr. Grimes said.

The retired newspaper broker has replaced the money in his wallet with a portfolio of special credit cards that gives him cash back, airline miles or some other bonus on every dollar he charges. To maximize those benefits he tries to rack up as many dollars on the cards as he can.

"I charge my doctor bills, groceries," and other items large and small, even the down payment on his new car.

Mr. Grimes is one of America's new credit-card sharks — people who put everything on cards that give them free airline tickets, discounts and cash rebates. Ms. Colbert pays the rent on her apartment with a credit card that earns frequent-flyer miles on USAir. Mr. Beckett charges his daughter's college tuition on a Ford MasterCard that gives him a 5 percent credit toward the purchase of a new car. He figures he will be entitled to a

\$3,000 discount by the time she graduates. These megachargers are changing the way Americans use money.

Still, the nation is a long way from becoming a cashless society. Of the \$4.78 trillion that consumers are expected to spend this year on what economists call "personal consumption expenditures," Visa and MasterCard account for about 10 percent, with other bank cards adding a few percentage points more, according to Thomas Layman, vice president of Visa.

But that share now totals about \$500 billion and the amount is growing rapidly, propelled by the rebate programs.

The old claim by the card issuers that it is more efficient to use plastic never really convinced consumers to give up cash. But money talks.

Cards offering rebates are creating a whole new attitude among consumers. These cards "are really replacing cash and checks," said Steve Apress of MasterCard.

The charge-it-all stress that they are not living on credit. "The key is to use your charge card for everything and pay it off every month," said Lon Caldwell, a retired Air Force officer.

"I generally don't use credit cards," Mr. Beckett said, "and I have not paid interest on a credit card in 10 or more years." But when he heard about the Ford rebate program and found he could maximize the

benefits for using it for college expenses, he signed up. "It's money I'm going to spend anyway," he said.

A Georgetown University finance professor, Jim Angel, who once used cash and checks almost exclusively, now puts everything he can on his GM Gold MasterCard, which gives a 5 percent rebate toward the purchase of a new car.

As a financial specialist, he knew about the interest-rate benefit of waiting until the end of the month to pay, and he liked the clear records that the banks provide. But it was the rebates that converted him.

He figures that by running ordinary living expenses through his GM card, he could qualify for the maximum rebate of \$1,000 a year and collect enough credits during the program's seven-year time limit to earn enough to pay half the tab for his next car.

Before the rebates, "I had credit cards but I would usually pay cash," Mr. Grimes said. But when one card began offering frequent-flyer miles, Mr. Grimes, who likes to travel, grabbed it.

Besides frequent-flyer miles that add up to airline tickets and rebates on new Ford and GM cars, there are programs that provide discounts on general merchandise and long-distance calls; that offer rebates on computers, gasoline and groceries; that award consumers free cruises; and that make donations to charities.

MARKET: Wall Street Record

Continued from Page 11

their profits would hold up regardless of the economy.

At the same time, shares of retailers, automakers and financial companies jumped amid optimism that the economic slowdown might prompt the Fed to cut interest rates later this year, paving the way for renewed recovery.

The expectations for lower interest rates were bolstered by a surge in the dollar. "Every-

U.S. Stocks

body feels that if the dollar is shaping up, interest rates are going to be okay," said Kenneth Ducey, head trader at BT Brokerage Inc. "That created a very enthusiastic marketplace."

The dollar's gains also helped the benchmark 30-year Treasury bond overcome early losses. Late in the day, the bond was up 5/32 at 112 18/32 as the yield was quoted at 6.65 percent, hovering near a 15-month low and down from 6.66 percent on Tuesday.

Some analysts said investors may be getting too optimistic over the economy's outlook. "Wall Street is saluting the wrong flags today," said A.C. Moore, investment strategist at Dunvegan Associates. He noted that out of the last nine U.S. business slowdowns, seven turned into recessions.

Two stocks rose for every one that fell on the New York Stock Exchange. Trading was brisk, with about 357.95 million shares changing hands on the Big Board, up from 280.95 million on Tuesday.

Drug, beverage and food shares were among the day's biggest gainers.

Among drug shares, Merck rallied 1 1/2 to 47, Johnson & Johnson jumped 2 to 66 1/2, Eli Lilly rose 1 1/2 to 74 1/2, Pfizer went up 1 1/2 to 88 1/2, and Schering-Plough climbed 1 1/2 to 78 1/2.

In the food industry, CPC soared 2 1/2 to 60 1/2, Sara Lee rose 1 1/2 to 27 1/2, Heinz rose 1 1/2 to 45 1/2, Kellogg rose 1 1/2 to 67 1/2, and Campbell Soup rose 1 1/2 to 49 1/2.

Among other consumer stocks, Procter & Gamble vaulted 2 1/2 to 71 1/2, Philip Morris surged 2 1/2 to 72 1/2, and Colgate rose 1 1/2 to 77.

Semiconductor shares, meanwhile, stabilized after a rout on

Tuesday. Analysts said demand for personal computers remains brisk as the industry enters the historically sluggish summer sales period.

(Bloomberg, Reuters, AP)

U.S. GDP Ratcheted Up

Information released Wednesday on the growth of the U.S. economy during the first quarter of the year showed it better poised for a soft landing later this year and less likely to tip into recession than previously feared in some circles. Lawrence Malkin of the International Herald Tribune reported from New York.

The Commerce Department said the gross domestic product grew at an annual rate of 2.7 percent, a tenth of a percentage point lower than originally reported, but consumer spending and business investment ran higher than first believed and the drag of unsold stocks was less.

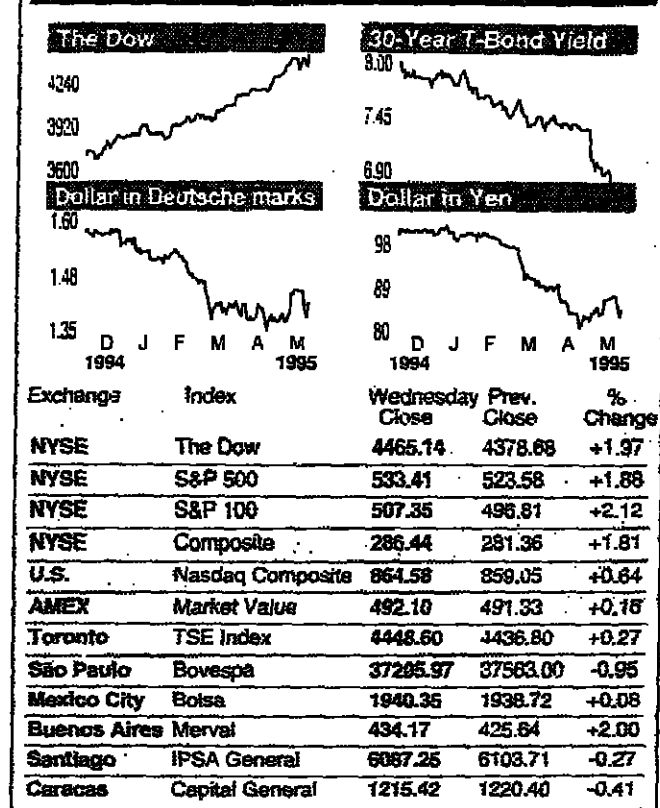
The government also reported a 2.7 decline in the sale of single-family homes in April after an increase of 5.1 percent in March, but economists noted it usually takes several months for falling bond market interest rates to work themselves through to lower mortgage rates and stimulate housing.

"These GDP figures are not a big change, and the economy actually looks a little stronger," said Roseanne Cahn of CS First Boston. "The economy is set to go into a soft landing and stay there."

At present this is the consensus forecast as reported by Blue Chip Economic Indicators of Sedona, Arizona, whose panel of leading economists sees the economy dipping back from its unsustainable growth rate of 5.1 percent at the end of last year. They see it heading downward to its lowest growth rate in the current spring quarter and then climbing back to growth rates of about 2 or 2.5 percent during the second half of the year.

Wall Street forecasters also increasingly predict that the Federal Reserve Board will help the economy by cutting short-term interest rates, perhaps starting as early as late spring or early summer, by a total of one percentage point from the current federal funds rate of 6 percent.

Investor's America



Very briefly:

Mobil to Restructure Units in Europe

FAIRFAX, Virginia (Bloomberg) — Mobil Corp. said Wednesday it would cut as many as 500 jobs in its American refining operations and may close its refinery in Worth, Germany.

The oil company said it would take a charge of \$180 million to reflect the costs of the cutbacks. Mobil said the changes were necessary to boost profitability in its refining business. Mobil also said it would revamp operations at its refineries in Coryton, England, and Gravenchon, France, to cut costs and integrate their operations. Mobil expects the changes to save it \$80 million a year before taxes.

Seagram Says MCA Was a Bargain

MONTREAL (Reuters) — MCA Inc. was worth more than Seagram Co. thought when the distiller announced in April that it was buying 80 percent of the entertainment giant, said Edgar Bronfman Jr., Seagram's chief executive on Wednesday.

"The businesses that we bought are even more valuable than we believed them to be at the time we made the decision," said Mr. Bronfman at a shareholders' meeting. He said Seagram had completed due diligence on the \$5.7 billion MCA transaction and had uncovered no problems. He said MCA's systems and controls were sound and that the company was conservatively and well managed.

Eastman Kodak Co. has asked the U.S. trade representative to investigate what it termed anti-competitive trade practices by Fuji Film Ltd. of Japan. Kodak alleges that a complex distribution system in Japan has deprived it of \$5.6 billion in sales.

AFP, Bloomberg

Has Microsoft Become a Cybersnooper?

By Elizabeth Corcoran
Washington Post Service

WASHINGTON — An electronic-information-gathering feature in Microsoft Corp.'s new Windows 95 software has critics fearful that, if consumers cooperated, Microsoft could create the world's most extensive database of who has what on their computers.

The brohaha is about the so-called registration wizard, a program in Windows 95 that helps buyers register their purchase of the software. Microsoft calls it a purely voluntary method of collecting product information that all companies collect, generally on paper registration cards. But critics depict it as unwarranted snooping around inside consumers' computers.

The wizard "will let Microsoft get a customer list of their direct competitors," said Phil Lemmons, editor of PC World magazine in San Francisco. Such customer lists are highly prized in any business, he added.

The wizard works like this: When a person installs a copy of Windows 95 into a computer, a box appears, asking the user to register the purchase via electronic trans-

mission to Microsoft. First it asks for the customer's name and address. Next, the wizard asks the computer itself and makes a list of the hardware and some of the major pieces of software already on the machine, such as what kind of spreadsheet program or word processing software is there.

The wizard then asks the customer if he or she would like to share that information with Microsoft. If the customer responds "yes," that information automatically whizzes off over a phone line to a database at Microsoft headquarters in Redmond, Washington.

"The registration wizard is an electronic version of the paper registration card we include with products," said Mike Conte, a group manager in Microsoft's personal-systems division. If anyone "feels uncomfortable about it, they don't have to" use it.

Mr. Conte said Microsoft wanted to use the information to ensure its products would work well with whatever most of its customers seemed to use, as well as to improve customer service. Eventually, technicians might tap into a database containing such details so that when a custom-

er called with a problem, they could quickly find out what the person was using and begin to unravel the trouble.

Microsoft might also use the information to target advertising. A customer might be offered a special deal based on what the company knew that person was using already, Mr. Conte said.

Concerns about the registration wizard were raised recently in a brief story in Information Week, a widely read industry magazine. Discussion groups on the Internet computer network picked up the issue, debating whether the registration wizard trespassed on any privacy rights.

Mr. Conte said he did not "fully understand" the concerns. "I guess it's some combination of people's imagination and the Internet."

Mr. Lemmons said that since Microsoft offered customers a clear chance to withhold such information, he did not think the wizard violated any privacy concerns.

But such a wizard could be the beginning of a trend of electronic information gathering that could lead to legitimate worry over privacy issues, he suggested.

WORLD STOCK MARKETS

Wednesday, May 31

Prices in local currencies.

Amsterdam

ABN-AMRO 59.80 59.10 59.50 59.20

Alcoa 127.50 127.00 127.50 127.00

Alkerm 127.50 127.00 127.50 127.00

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FUTURES

	High	Low	Close	Change	Open
Jan	95.48	92.58	92.58	+0.18	
Feb	95.48	92.45	92.53	+0.18	
Mar	95.48	92.45	92.53	+0.17	
Apr	95.48	92.45	92.53	+0.17	
May	95.48	92.45	92.53	+0.17	
Jun	95.48	92.45	92.53	+0.17	
Est. volume	52.541	Open int.	18.919		

FCME 48 (MAY)

	High	Low	Close	Change	Open
Jan	192.80	192.80	192.80	+1.70	
Feb	191.00	190.50	190.50	+2.20	
Mar	189.00	188.50	188.50	+2.20	
Apr	187.00	186.50	186.50	+2.20	
May	185.00	184.50	184.50	+2.20	
Jun	183.00	182.50	182.50	+2.20	
Est. volume	50.168	Open int.	94.651		

EURODOLLARS (CMR)

	High	Low	Close	Change	Open
1 month open	93.970	93.940	93.940		348.705
2 month open	93.970	93.940	93.940		348.705
3 month open	93.970	93.940	93.940		348.705
4 month open	93.970	93.940	93.940		348.705
5 month open	93.970	93.940	93.940		348.705
6 month open	93.970	93.940	93.940		348.705
7 month open	93.970	93.940	93.940		348.705
8 month open	93.970	93.940	93.940		348.705
9 month open	93.970	93.940	93.940		348.705
10 month open	93.970	93.940	93.940		348.705
11 month open	93.970	93.940	93.940		348.705
12 month open	93.970	93.940	93.940		348.705
Est. volume	50.168	Open int.	94.651		

BRITISH POUND (CMR)

	High	Low	Close	Change	Open
1 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
2 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
3 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
4 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
5 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
6 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
7 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
8 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
9 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
10 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
11 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
12 new pound - 1 pound sterling	1.6070	1.5990	1.5990	-128	4.504
Est. volume	50.168	Open int.	94.651		

CANADIAN DOLLAR (CMR)

	High	Low	Close	Change	Open
1 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
2 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
3 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
4 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
5 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
6 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
7 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
8 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
9 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
10 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
11 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
12 new dollar - 1 Canadian dollar	1.2500	1.2400	1.2400	+6	28.635
Est. volume	50.168	Open int.	94.651		

GERMAN MARK (CMR)

	High	Low	Close	Change	Open
1 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
2 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
3 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
4 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
5 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
6 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
7 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
8 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
9 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
10 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
11 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
12 new mark - 1 Deutsche mark	2.2000	2.1900	2.1900	-128	4.504
Est. volume	50.168	Open int.	94.651		

JAPANESE YEN (CMR)

	High	Low	Close	Change	Open
1 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
2 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
3 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
4 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
5 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
6 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
7 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
8 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
9 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
10 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
11 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
12 new yen - 1 Japanese yen	100.00	99.00	99.00	-228	59.817
Est. volume	50.168	Open int.	94.651		

SWISS FRANC (CMR)

	High	Low	Close	Change	Open
1 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
2 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
3 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
4 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
5 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
6 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
7 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
8 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
9 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
10 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
11 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
12 new franc - 1 Swiss franc	1.2500	1.2400	1.2400	+6	28.635
Est. volume	50.168	Open int.	94.651		

Stock Indexes

S&P COMP. INDEX (CMR)

	High	Low	Close	Change	Open
Jan	324.00	322.26	324.00	+10.02	178.421
Feb	324.00	322.26	324.00	+10.02	178.421
Mar	324.00	322.26	324.00	+10.02	178.421
Apr	324.00	322.26	324.00	+10.02	178.421
May	324.00	322.26	324.00	+10.02	178.421
Jun	324.00	322.26	324.00	+10.02	178.421
Est. closes	324.00	322.26	324.00	10.02	178.421
Tue's open	321.275	off	60		

DOW JONES IND. (CMR)

	High	Low	Close	Change	Open
Jan	283.00	281.00	283.00	+10.02	178.421
Feb	283.00	281.00	283.00	+10.02	178.421
Mar	283.00	281.00	283.00	+10.02	178.421
Apr	283.00	281.00	283.00	+10.02	178.421
May	283.00	281.00	283.00	+10.02	178.421
Jun	283.00	281.00	283.00	+10.02	178.421
Est. closes	283.00	281.00	283.00	10.02	178.421
Tue's open	281.275	off	60		

Commodity Indexes

Food's

	High	Low	Close	Change	Open
Jan	225.00	223.00	225.00	+10.02	178.421
Feb	225.00	223.00	225.00	+10.02	178.421
Mar	225.00	223.00	225.00	+10.02	178.421
Apr	225.00	223.00	225.00	+10.02	178.421
May	225.00	223.00	225.00	+10.02	178.421
Jun	225.00	223.00	225.00	+10.02	178.421
Est. closes	225.00	223.00	225.00	10.02	178.421
Tue's open	223.275	off	60		

Metals

	High	Low	Close	Change	Open
Jan	225.00	223.00	225.00	+10.02	178.421
Feb	225.00	223.00	225.00	+10.02	178.421
Mar	225.00	223.00	225.00	+10.02	178.421
Apr	225.00	223.00	225.00	+10.02	178.421
May	225.00	223.00	225.00	+10.02	178.421
Jun	225.00	223.00	225.00	+10.02	178.421
Est. closes	225.00	223.00	225.00	10.02	178.421
Tue's open	223.275	off	60		

Spot Commodities

Corn

	High	Low	Close	Change	Open
Jan	2.25	2.23	2.25	+0.02	178.421
Feb	2.25	2.23	2.25	+0.02	178.421
Mar	2.25	2.23	2.25	+0.02	178.421
Apr	2.25	2.23	2.25	+0.02	178.421
May	2.25	2.23	2.25	+0.02	178.421
Jun	2.25	2.23	2.25	+0.02	178.421
Est. closes	2.25	2.23	2.25	0.02	178.421
Tue's open	2.23.275	off	60		

Wheat

	High	Low	Close	Change	Open
Jan	2.25	2.23	2.25	+0.02	178.421
Feb	2.25	2.23	2.25	+0.02	178.421
Mar	2.25	2.23	2.25	+0.02	178.421
Apr	2.25	2.23	2.25	+0.02	178.421
May	2.25	2.23	2.25	+0.02	178.421
Jun	2.25	2.23	2.25	+0.02	178.421
Est. closes	2.25	2.23	2.25	0.02	178.421
Tue's open	2.23.275	off	60		

Soybeans

	High	Low	Close	Change	Open
Jan	2.25	2.23	2.25	+0.02	178.421
Feb	2.25	2.23	2.25	+0.02	178.421
Mar	2.25	2.23	2.25	+0.02	178.421
Apr	2.25	2.23	2.25	+0.02	178.421
May	2.25	2.23	2.25	+0.02	178.421
Jun	2.25	2.23	2.25	+0.02	178.421
Est. closes	2.25	2.23	2.25	0.02	178.421
Tue's open	2.23.275	off	60		

For investment information

Read the MONEY REPORT every Saturday in the IHT

To Our Readers

London International Financial Futures Exchange prices were not available Wednesday due to problems at the source. We regret the inconvenience.

Industrials

COTTON (MCTN)

	High	Low	Close	Change	Open
Jan	112.45	109.75	109.75	-3.00	14.026
Feb	112.45	109.75	109.75	-3.00	14.026
Mar	112.45	109.75	109.75	-3.00	14.026
Apr	112.45	109.75	109.75	-3.00	14.026
May	112.45	109.75	109.75	-3.00	14.026
Jun	112.45	109.75	109.75	-3.00	14.026
Est. volume	50.168	Open int.	94.651		

HEATING OIL (MMR)

	High	Low	Close	Change	Open
Jan	49.40	48.40	48.40	-1.41	8.006
Feb	49.40	48.40	48.40	-1.41	8.006
Mar	49.40	48.40	48.40	-1.41	8.006
Apr	49.40	48.40	48.40	-1.41	8.006
May	49.40	48.40	48.40	-1.41	8.006
Jun	49.40	48.40	48.40	-1.41	8.006
Est. volume	50.168	Open int.	94.651		

LIGHT SWEET CORN (MMR)

	High	Low	Close	Change	Open
Jan	1.80	1.78	1.78	-0.11	79.528
Feb	1.80	1.78	1.78	-0.11	79.528
Mar	1.80	1.78	1.78	-0.11	79.528
Apr	1.80	1.78	1.78	-0.11	79.528
May	1.80	1.78	1.78	-0.11	79.528
Jun	1.80	1.78	1.78	-0.11	79.528
Est. volume	50.168	Open int.	94.651		

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Japan Investors Find U.S. Stocks And Bonds a Buy

TOKYO — Large Japanese investors expanded their holdings of U.S. stocks and bonds in May as the dollar regained stability against the yen, according to a survey of Japanese institutions released Wednesday.

In April, the institutions surveyed cut the proportion of U.S. securities in their portfolios as the dollar fell to new post-World War II lows. But the latest survey of 17 financial companies and research institutions, conducted Monday by Reuters, found rising confidence in U.S. assets.

Tokyo Stocks Fall As Investors Fear Recession Looms

TOKYO — Stocks fell 2 percent here Wednesday as concern mounted that the economy would slip into recession.

The financial health of Japan is certainly in question, said Paul Mighorato, a senior salesman at Jardine Fleming Securities. Figures released Tuesday indicated that industrial output fell for the first time in three months and the unemployment rate rose to an all-time high of 3.2 percent.

The Nikkei Stock Average average dropped 326.18 points, to 15,436.79, its lowest close since April 3. Cyclical issues, or shares sensitive to fluctuations in the economy, led the decline.

The figures released Tuesday have investors questioning whether Japan's economy is actually recovering.

Industrial output dropped 0.2 percent in April from March. Analysts were expecting a gain in output. A Japanese daily also reported Wednesday that six of Japan's large life insurance companies posted losses for the latest business year.

"The market's basically under pressure because of revived fears about the economy," said Nick Gregory of Smith New Court PLC.

Investors still worry about currency risk, but a big fall in the dollar is considered unlikely for now, and "one may aim for exchange-rate returns from yen weakness," Dow Jones Investment Management said in its response to the survey.

In the last month, institutions raised their average weighting of U.S. and Canadian stocks to 33.26 percent of their portfolios from 31.80 percent in April.

"The soft landing of the economy, lower interest rates and improvement in the inflation rate are supporting rises in stock prices" in the United States, Dow said. It raised its own proportion of U.S. and Canadian assets to 43 percent of its portfolio from 38 percent.

Some were more cautious, with Nomura Research Institute warning that U.S. stocks were already at high levels and risk had increased.

"In the stock market, there's a tug of war between the plus of lower bond yields and the minus of worries about a possible deterioration in corporate profits," Nomura Research said. Even so, it lifted its weighting to 32 percent from 30 percent.

By contrast, fears about Japan's economy and about the weakness of Prime Minister Tomiichi Murayama's government prompted institutions to cut their Japanese stock holdings sharply. The average weighting fell to 28.23 percent from 31.44 percent.

"There is increasing worry that the economy is slowing," Daiwa Research Institute said.

Okasan Economic Research, which slashed its Japanese stock weighting to 35 percent from 47 percent, said: "Because of deflation caused by the strong yen, fears are growing that corporate profits could prove worse than expected."

Overall, institutions cut their average weighting in global stocks to 36.25 percent from 37 percent and raised their global bond weighting to 41.50 percent from 39 percent.

Institutions cut their average weighting in Japanese bonds slightly, to 30.08 percent from 30.61 percent.

Music Business Sees Asia Anew

Entrepreneurs Turn to Promoting the Local Talent

By Richard Covington
Special to the Herald Tribune

HONG KONG — Seymour Stein, the man credited with discovering Madonna, Talking Heads and a host of other international rock stars, is now crooning the praises of Dadawa, a sylphlike singer from Shanghai whose blend of Tibetan chants and New Age pop he predicts will make her a hit with Western audiences.

As president of Elektra Entertainment Group, a subsidiary of Warner Music International, Mr. Stein plans to help another Warner label, the Taiwan-based UFO Group, promote the Chinese singer in worldwide markets.

Chasing Asian hits is the latest Holy Grail for the international music industry, but it is a search complicated by a change in Asian pop tastes.

Two years of declining record sales indicate that Asia's voracious appetite for Western music is becoming weaker. The combination of syrupy romantic ballads and big international stars is no longer the reliable money-making machine it once was, and Western and Asian producers alike are scrambling for alternatives.

"Audiences want more depth in their songs," said Paul Ewing, vice president and regional director for Southeast Asia at Warner Music International. "There's a concerted effort to improve local songwriting and a move away from just churning out cover versions of international hits."

Intent on tapping the \$7.3 billion regional music business, Mr. Ewing and about 2,100 other music producers, performers and publishers from 44 countries descended on the first Midem Asia music market, held here last week.

"Eventually we would love to break an Asian Mariah Carey," said MTV Net-

works' international president, William Roedy, though he acknowledges that such intercultural successes are few and far between.

Don Ayeeo, general manager of STAR TV's Channel V, MTV's regional rival as a music video network, is more skeptical.

"There's absolutely no hope of a cross-over success from Asia," he said. "If you can't sell a British artist to the French,

'There's a concerted effort to improve local songwriting and a move away from just churning out cover versions of international hits.'

Paul Ewing, vice president,
Warner Music International.

what hope do you have of selling a Chinese singer to the West?"

But, with a roster that includes a Malaysian fusion jazz group, a Thai environmentalist rocker and a Chinese New Age singer, Warner Music, a unit of Time Warner Inc., is out to prove that the market is ready.

Some of the hottest emerging rock stars are coming from Beijing, discovered by the Taiwanese promoter Landy Chang of Magic Stone Records, a subsidiary of Rock Records, a regional label that accounts for \$80 million in sales.

"When I signed the progressive rock group Tang Dynasty in 1992, it was the first recording contract signed in China with a foreign company," Mr. Chang said. "Everyone thought I was an idiot."

To date, the group has sold 500,000 cas-

ettes, and the promoter estimates that a further 1.5 million have been pirated.

Although record distribution and retail sales operations in China remain "lousy," Mr. Chang said, he applauded the adventurous radio stations that continued to defy censors' restrictions. He arranges tours for the label's artists within China, playing to audiences of 10,000 to 15,000.

"Every time we play a major concert, the audience goes crazy, wanting to kick out the police and lock the doors, and concerts are banned for the next six months," Mr. Chang said. Bringing the bands to perform outside the country is extremely difficult, he said, although officials did allow a number of groups to perform in December in a packed Hong Kong basketball arena.

"The government is taking a more open attitude," Mr. Chang said. Even a punk rocker like He Yong, who rails against the massacre of pro-democracy demonstrators near Tiananmen in 1989, has so far been reluctantly tolerated.

Elsewhere in Asia, a few protest musicians have emerged as well. With a scathing indictment of corruption, the veteran Thai performer Add Carabao was credited with contributing to the recent dissolution of the coalition government in Thailand.

In Singapore, meanwhile, the performer Chris Ho complains of a double standard that he says allows foreign acts to get away with behavior not permitted a local group.

"When Duran Duran is interviewed on television, it's fine for them to wear their nose rings," Mr. Ho said. "But when I go on, I have to take mine off and hide my tattoos. We're trying to be a center for the arts. How will this occur if expression is censored?"

Australian Slowdown Clips Currency

SYDNEY — Australia's economic growth slowed dramatically in the first three months of 1995, to an annual rate of 3.7 percent, official figures showed on Wednesday, indirectly leading to a plunge in the Australian dollar.

The Australian dollar hit a 12-month low of 71.24 U.S. cents in heavy trading after the country's treasurer, commenting on the economic growth figures, said a weak currency was good for Australia's current-account deficit.

The Australian dollar later bounced back to close at 71.95 cents but was still below its opening rate of 72.15 cents. Traders

blamed the sell-off on a remark by Treasurer Ralph Willis that a low dollar "should be a plus for improvement in the current account."

"The weakness of the dollar should help exports," he said, noting it was a reversal of the currency's rise last year.

Earlier in the day, Australian Bureau of Statistics data showed growth for the year ending in March had weakened substantially from the rate of 5.4 percent recorded in the calendar year of 1994. In the year to September, the rate was 6.1 percent.

The slowdown in growth eased immediate pressure on interest rates. Economists, however, said talk of easing rates was pre-

ature before a widely expected rebound in growth for the quarter ending in June.

Mr. Willis said growth of 1 percent in the June quarter would produce the government's forecast for 4.75 percent growth for the fiscal year ending in June. "We do expect the June quarter to be stronger than the March quarter, principally because investment will be stronger," he said.

John Larum, senior economist at SBC Australia, said interest rates had peaked. "The slowing in the economy will continue for the another six months and the economy could bottom out some time next year," he said.

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
10000	2400	20000
8000	2200	18000
6000	2000	16000
4000	1800	14000
2000	1600	12000
0	1400	10000
1994	1994	1994
Exchange Index	Wednesday Close	Prev. Close
Hong Kong Hang Seng	9,407.38	9,245.30 +1.75
Singapore Straits Times	2,178.36	2,182.48 +0.73
Sydney All Ordinaries	2,019.50	2,021.00 -0.07
Tokyo Nikkei 225	15,436.79	15,782.97 -2.07
Kuala Lumpur Composite	Closed	1,050.00 -
Bangkok SET	1,382.31	1,354.91 +2.76
Seoul Composite Index	882.50	881.80 +0.08
Taipei Stock Market Index	5,674.55	5,647.07 +0.49
Manila PSE	2,772.37	2,763.31 +0.33
Jakarta Composite Index	Closed	475.28 -
Wellington NZSE-40	2,103.29	2,104.14 -0.04
Bombay Sensitive Index	3,348.72	3,276.31 +2.21

Source: Reuters

International Herald Tribune

Very briefly:

• Siam Cement PLC's first-quarter consolidated net profit rose 40 percent from a year earlier, to 2.19 billion baht (\$89.1 million), as revenue at Thailand's largest industrial company rose 25 percent, to 20.56 billion baht. The figures were above market expectations.

• Telstra Corp. urged the Australian government to open the national market to full competition by 1997 or risk falling behind on the information superhighway.

• Sega Enterprises Ltd. will cut the price of its Saturn game player to 34,800 yen (\$420) from 44,800 yen June 16, two weeks before Sony Computer Entertainment Inc. is to begin selling a lower-priced version of its PlayStation video-games machine.

• China set up a new agency to control software copyrights, replacing one that had been accused of conflict of interest because it was run by the Electronics Ministry, a major software producer.

• Levi Strauss & Co.'s trademark Levi's blue jeans, shirts and denim jackets will go on sale in India, starting in the southern city of Bangalore on June 9. The company plans to have 15 stores in major Indian cities by year-end.

Bloomberg, Reuters, AFP

Rift Between Pacific Carriers

Bloomberg Business News

SYDNEY — Qantas Airways Ltd. said Wednesday that its chairman, Gary Pemberton, and its managing director, James Strong, had resigned from the board of Air New Zealand Ltd., a rival air carrier in the South Pacific region.

Qantas said that growing competition with its New Zealand counterpart — in which it holds a 19 percent stake — had prevented its two executives

from participating in a range of board discussions at Air New Zealand.

The New Zealand carrier's need to consider many strategic matters brought the issue to a head, said Qantas.

Analysts said the announcement was likely to fuel speculation that Qantas wished to sell its stake. An initial public offering of shares in Qantas is scheduled for July.

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France F.F.	1,850	925	580
Germany D.M.	700	350	210
Great Britain £	210	105	65
Ireland Sh.	230	115	68
Italy Lire	470,000	235,000	145,000
Luxembourg L.Fr.	14,000	7,000	4,200
Netherlands Fl.	770	385	230
Portugal Esc.	47,000	23,500	14,500
Spain Ptas.	48,000	24,000	14,500
Hand deliv. Madrid S.Kr.	55,000	27,500	16,500
Sweden (airmail) S.Kr.	3,100	1,550	900
Hand delivery S.Kr.	3,500	1,750	1,000
Switzerland S.Fr.	610	305	185

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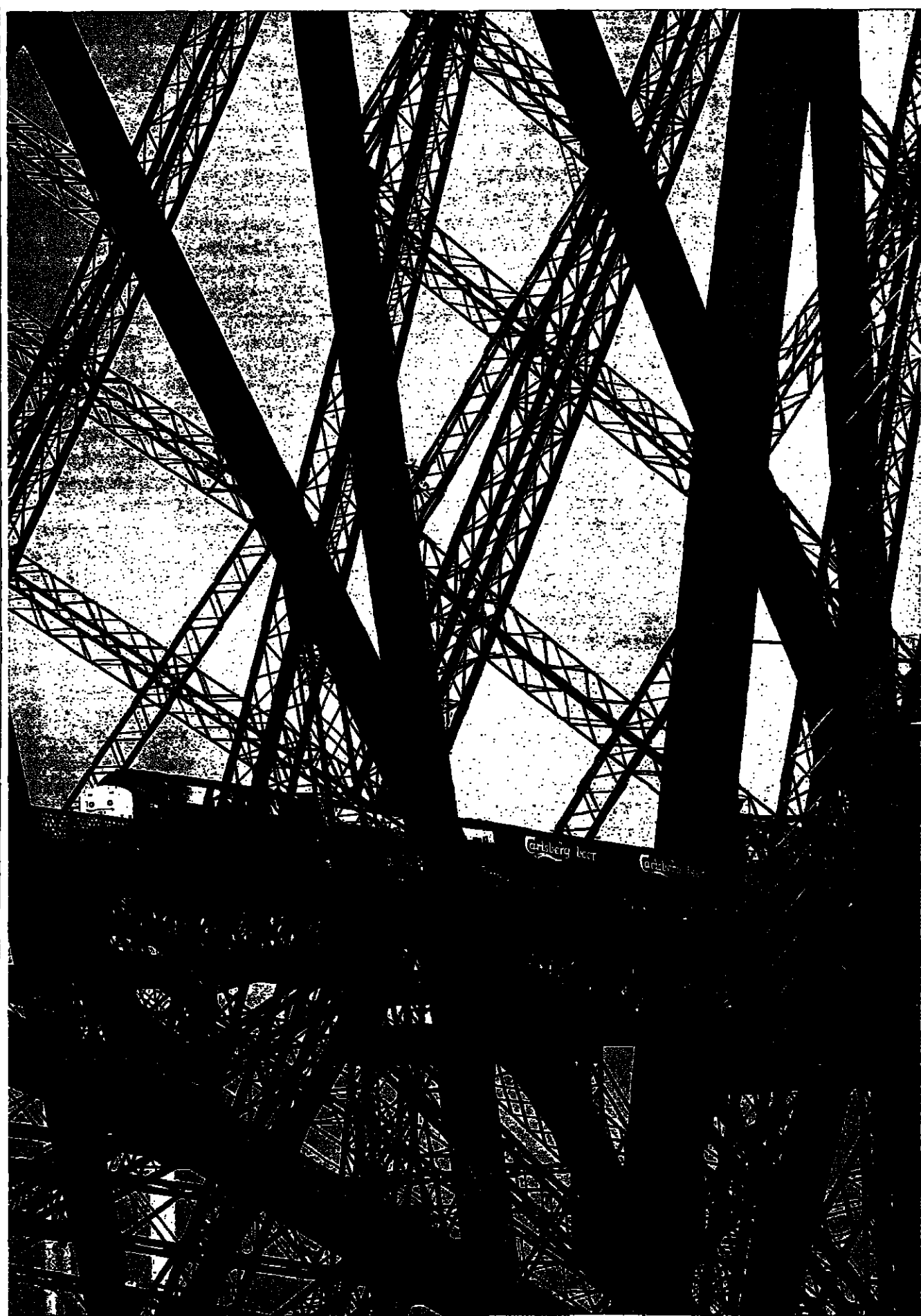
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Mezzanine Capital Corporation Limited

Notice to the holders of the Bear Depositary Receipts ("BDRs") evidencing Participating Redeemable Preference Shares of US 1 cent each ("Shares") of Mezzanine Capital Corporation Limited (the Company)

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN to the holders of the BDRs that Chemical Bank (Guernsey) Limited (the Depositary) has received notice from the Company that an Extraordinary General Meeting of the Members of the Company will be held at New York House, Bath Street, St. Helier, Jersey, Channel Islands on Wednesday, 28th June, 1995 at 11.00a.m. to consider and if thought fit, to pass the following resolutions:

1. THAT in accordance with Article 33 of the Company's Articles of Association, the Company shall go into voluntary liquidation with effect from June 30, 1995.
2. THAT Paul Anderson of Messrs. Price Waterhouse, Grand Cayman and Wellington Administrators (C.I.) Limited be appointed joint liquidators.
3. THAT the remaining investments of the Company be liquidated at appropriate times and that the joint liquidators shall be entitled to rely upon the continued advice of Chasehouse Group International Inc. as Investment Advisor in that regard.
4. THAT the joint liquidators shall be authorized to continue the engagement at the expense of the Company of Wellington Administrators (C.I.) Limited as Administrator in accordance with the terms of its Agreement dated 24th May, 1993 and Mezzanine Capital Corporation (Managers) Limited as Manager pursuant to the terms of its Agreement dated 24th May 1993 and/or such other administrators, advisors, auditors and other agents as they may deem fit.
5. THAT all the books, accounts, papers and documents of the Company and of the joint liquidators be retained by the joint liquidators for a period of six (6) years from the dissolution of the Company, after which they shall be destroyed.

BDR holders have the right to attend and speak at the Extraordinary General Meeting but not themselves to vote thereat. BDR holders may however instruct the Depositary as to the exercise on their behalf of the voting rights attributable to the shares evidenced by the BDRs which they hold.

Instructions as to voting must be given either to the Depositary or to a Paying Agent, Codel or Euroclear (a paying agent) no later than Friday, 23rd June, 1995 and must be accompanied by the BDR in respect of the Shares for which such instructions are given. The Depositary or relevant Paying Agent must be satisfied that such BDR is held in a blocked account to its order until after Wednesday, 28th June, 1995. Voting instructions forms may be obtained from any Paying Agent.

On deposit of a BDR with or to the order of a Paying Agent the holder thereof may obtain a receipt which will entitle him to attend and speak at the Extraordinary General Meeting.

BDRs deposited with or to the order of a Paying Agent will not be released until the first to occur of (A) the conclusion of the above-mentioned meeting or any adjournment thereof or (B) the surrender to the Paying Agent, not less than 48 hours before the time for which such meeting or any adjournment thereof is convened, of the receipt issued by the Paying Agent in respect of each such deposited BDR which is to be released or the BDR or BDRs ceasing to be the subject of the BDR to be released. The Paying Agent shall promptly give notice to the Depositary of such surrender or release.

Depositary and Principal Paying Agent
Chemical Bank (Guernsey) Limited
Albert House, PO Box 92, South Esplanade,
St. Peter Port, Guernsey, Channel Islands GY1 4BU

Paying Agents
Bankers Trust Luxembourg S.A.
PO Box 807, 14 Boulevard PD Roosevelt,
Luxembourg, Grand Duchy of Luxembourg
Morgan Guaranty Trust Company of New York,
14 Place Vendôme, 75001 Paris, France

by: Chemical Bank (Guernsey) Limited
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Dated 1st June, 1995

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THE WORLD'S DAILY NEWSPAPER

For Now, Internet Advertisers Need Blind Faith

By Laurie Flynn
New York Times Service

NEW YORK — Like many companies still unsure whether the Internet is a business fad or the face of the future, Chrysler Corp. recently took a leap of faith into on-line advertising.

The automaker purchased ads at several locations on the World Wide Web, the Internet's multimedia service. Chrysler has also created a kind of electronic brochure on the Web, including a virtual car showroom and a look at safety systems.

The automaker's challenge now is to figure out whether potential consumers are paying attention.

Chrysler's predicament is shared by tens of thousands of businesses that have begun running interactive advertisements on the Web. Right now there is no reliable way to know how many people are actually interacting with their ads.

Television has its A.C. Nielsen Co. ratings, which purport to tell advertisers how many sets are tuned in when their ads run. Radio is similarly served by Arbitron Co., and magazines and newspapers have auditing agencies that track circulation.

Such audience measurements provide the basis for the advertising rates set by broadcasters and publishers and for marketers' assessments of how well their advertising budgets are being spent.

For advertisers putting their money into cyberspace, however, there are no Nielsens — not yet, at least. That could soon change. In the last few months, some ambitious young software companies have announced techniques for measuring the audience for Internet ads.

Nielsen, a subsidiary of Dun & Bradstreet Corp., in May said it planned to enter the game itself, probably in a venture with a start-up concern.

Arbitron, a unit of Ceridian Corp., has also expressed interest.

Some of the start-ups, including Digital Planet and Internet Profiles Corp., recently started performing their monitoring services for a few Internet advertisers.

While it is too early to say whether either of these, or any other services, might become the industry standard, advertisers are eager for some norm to emerge. Otherwise they must continue to rely on guesswork and trust.

"Today, you come up with a number that seems reasonable and then keep raising the price as long as people are willing to pay it," said David Carlick, senior vice president of Poppy Tyson Advertising, one of two agencies enlisted by Chrysler to create its on-line campaign.

More advertisers appear ready to start spending at least part of their budgets on interactive ads.

Jupiter Communications Co., a market-research company in New York, said the target audience was the nearly 4.6 million people with Internet access and software allowing them to visit the World Wide Web, an area of the Internet where text can be mingled with photographs, film clips and sound.

Jupiter forecast that the number of Web users will more than double by 1997.

John Dimling, president of Nielsen Media Research, predicts that the Web will be generating hundreds of millions of dollars a year in advertising sales by the end of the decade — a tiny amount compared with

the \$125 billion a year now being spent for all media in the United States, but a growing share nevertheless.

Chrysler, which so far is restricting its Web site to pictures and text (the address is <http://www.chryslercorp.com>), is also buying ads at two other electronic sites on the Web.

One is Time Warner Inc.'s Pathfinder site (<http://www.pathfinder.com>); the other is Wired magazine's HotWired (<http://www.hotwired.com>).

Internet advertisers are eager for data that would show the most effective sites on the Web.

What is ultimately needed, said J.R. Julow, director of marketing operations at Chrysler, is a system that measures not only the effectiveness of one Internet ad over another, but one that can compare the effectiveness of Internet advertising with ads placed on television or in newspapers.

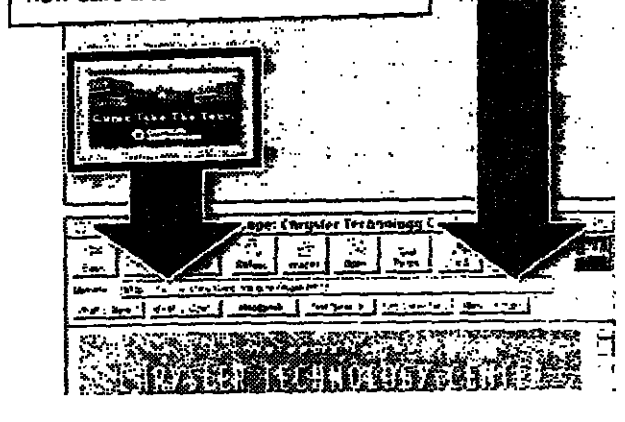
Analysts say other companies that may provide answers include Logical Design Solutions of Murray Hill, New Jersey, and a joint venture of Delahay Group of Portsmouth, New Hampshire, and Internet Media Services of Palo Alto, California.

Monitoring overall use of the World Wide Web is easy, as network servers automatically create a log of network activity. But in most cases, the information is limited to tracking the number of times a file on a Web site is called up.

The big task for the new Web-monitoring services is analyzing the raw traffic statistics and turning them into useful marketing data, such as how many times the same people viewed an ad, how long they lingered and what route they took to get there.

Advertising On Line

The Chrysler Corporation has placed ads at World Wide Web sites run by Wired magazine, top, and Time Warner, middle. By clicking on either ad, a computer user is transferred to Chrysler's own site, bottom, where information about new cars and trucks can be found.



Male Dominance of the Net Eases Slowly

By Peter H. Lewis
New York Times Service

NEW YORK — A new demographic survey of the Internet has confirmed that the global computer network is predominantly a men's club, with male users outnumbering females nearly 2 to 1. But the new numbers are considered surprising, because earlier and less rigorous surveys had put the margin at closer to 9 to 1.

For businesses hoping to use the Internet as a marketing and commercial tool, this may mean the audience is not the electronic fraternity of students and the technologically obsessed that many have assumed it to be.

The numbers can be interpreted either as encouraging or as discouraging. They could be encouraging because the Internet, like any other social structure, benefits from diversity, and the numbers suggest that the Internet is more diverse than a casual user might expect, based on the

preponderance of men's names attached to electronic mail and other messages.

But they could also be discouraging because a 2-to-1 ratio for the overall Internet, while more balanced than one might have expected, is still far from a reflection of the real world.

They are even more discouraging when universities and other educational organizations are excluded from the survey. The percentages then become 70 percent male, 30 percent female, suggesting that business connections to the Internet are still mostly the province of men.

"My suspicion is that sooner or later the Internet will approximate the 50-50 ratio, simply because the Internet is going to reach a larger portion of the entire population," said John S. Quarterman of Matrix Information & Directory Services in Austin, Texas, which conducted the survey.

The survey, conducted in October 1994 and reported this month, appears to be one of the most comprehensive yet undertaken

of the Internet. Detailed surveys were sent to more than 13,000 organizations on the Internet; 1,468 usable responses were received. According to Quarterman, the margin of error is 2.5 percent, with a confidence level of 95 percent.

The big question, as always, is how many people use the Internet.

The survey estimated there were 13.5 million consumer users of the Internet and 27.5 million users of electronic mail.

It also estimated that children 12 years old or younger constituted just 0.5 percent of all Internet users and that people under 18 accounted for only 2.3 percent.

The numbers are important to keep in mind when considering efforts by legislators and conservative groups to restrict "indecent" material on the Internet. Sponsors of these attempts at censorship say their efforts are necessary to protect children from pornography, pedophiles and other child-abusers on the information highway.

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- 1) Open to European residents.
- 2) Travel must be completed by March 31st, 1996.
- 3) Entries must be postmarked no later than July 1st, 1995.
- 4) Valid only where legal. No purchase necessary.
- 5) Entries will not be accepted from staff and families of the IH newspaper, TURESPAIN, and Iberia Airlines.
- 6) No correspondence will be entered into. Proof of postage will not be accepted as proof of receipt.
- 7) No cash alternative to prizes.
- 8) Winners will be drawn on September 15th, 1995 and published thereafter in the newspaper. The first three entries drawn with the correct responses will be the winners.
- 9) On all matters, the editor's decision is final.
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Wednesday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

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Wednesday's 4 p.m. Close
(Continued)

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On a Lengthy Day, No. 2 Goes Quickly

By Christopher Clarey
Special to the Herald Tribune

PARIS — It was 4-3 in the fifth set, in favor of Gilbert Schaller, when a large white dove landed on Center Court without a ticket. As the crowd cheered, the dove strutted its 15 seconds of fame before being shoofed off the burgundy surface by ushers.

But before flying off the premises, the dove swooped back over the court, over the head of Pete Sampras, who jokingly fired a tennis ball in its direction.

In a different year, on a different surface, that dove might have been a good omen for the lean American. But in 1995, on the red clay of the French Open, the dove was merely showing the No. 2 seed the way out of the stadium.

Sampras had built his spring around this tournament, re-vamping his schedule to give himself the best chance to win the only Grand Slam event missing from his enviable curriculum vitae. As it turned out, he could not even manage to get past the first round.

"I think this loss is probably going to sit with me for quite a while," he said falling, 7-6 (7-3), 4-6, 6-7 (4-7), 6-2, 6-4, to Schaller in a match that lasted 4 hours and 2 minutes and stretched over two days.

The Sampras-Schaller match wasn't the only long one at Stade Roland Garros on Wednesday. This was the day the tournament began to gather speed, and it began with Martina Hingis, the 14-year-old from Switzerland, living up to her premature celebrity by saving three match points and defeating Judith Wiesner of Austria, 2-6, 6-3, 7-5, in the first round.

Several hours later, Richard Krajicek, the 15th seed from the Netherlands, was beaten in five sets in the second round by a 19-year-old Australian qualifier named Andrew Ilie, ranked 252d in the world.

Shortly after that, three-time French Open champion Mats Wilander came within a well-placed groundstroke or two of upsetting eighth seed Wayne Ferreira, one of the top performers on clay this spring.

Wilander, playing for pleasure more than trophies as he comes back at age 30, served for the match and a place in the third round at 6-5 in the fifth set. But he ended up losing by a score that is every bit as exhausting to read as it was to be part of: 6-7 (5-7), 7-6 (7-1), 6-3, 6-7 (4-7), 8-6.

Apparently, the prospect of such suffering is exactly why Wilander is back playing a relatively full schedule after a long stretch as a dilettante.

"I tell you, going out there for 4 hours and 20 minutes is an unbelievable adrenaline kick," he said. "There's nothing I could do for that long out of tennis and keep that adrenaline pumping."

When play in the Sampras-Schaller match was suspended because of darkness on Tuesday, Sampras had just broken serve to take a 3-1 lead in the

third set. But the overnight break did not do the second-seeded American any favors. Schaller broke him immediately to get back on serve. And though Sampras pulled out the tiebreaker, he was unable to maintain control in the final two sets, making too many mistakes from the baseline, particularly off his weaker backhand wing, and failing to get in a high percentage of first serves.

"I could talk a lot about the turning points of the match, but we would be here all day," said Sampras, who finished with 24 aces, 10 double faults and a whopping 99 unforced errors. "Bottom line is that I am out of the French Open."

Schaller, a 26-year-old Austrian from Graz, with a shock of blond hair and a marvelous backhand, might not be as widely known or feared as his countryman and practice partner Thomas Muster, but he, too, has had considerable recent success. Since winning his first career title in Casablanca in March, he has reached four quarterfinals on clay and sauntered into Paris with his ranking at an all-time high of 24.

"That is a tough first-round match for anybody, especially for me, and so I knew it was going to be a battle," said Sampras, who referred to his opponent as "Mr. Schaller" in the postmatch news conference.

Sampras played the match with an elastic wrist on his right wrist but said afterward the wrist had been only "a little sore the last couple of days" and had not hindered his play.

And while Wilander was exulting in defeat, Schaller, the man who idolized Wilander as a teenager, was left to exult in victory. At the end of 1991, his fifth season as a professional, he was still ranked No. 323. But after abandoning the ultra-western forehand grip that was rendering him vulnerable, he decided to give the tour one more try in 1992.

"My wife and I made a decision," Schaller said. "We agreed that she would stop working and let us try it for one more year. I told her, 'You travel with me. If I make it, we do it. If not, bye tennis.'"

Schaller finished the year at No. 82, and the seeds of Sampras' first-round loss were sown.



David Campese, breaking Canadian tackles, set up one try and twice came close himself.

Rockets Take Flight With Olajuwon

By Clifton Brown
New York Times Service

SAN ANTONIO — The Houston Rockets love to play in San Antonio, but they may not get to return until next season.

Winning their third consecutive playoff game at the Alamodome, the Rockets routed the Spurs, 111-90, on Tuesday night in Game 5 of the Western Conference finals. The Rockets took a 3-2 lead in the best-of-seven series, and the defending National Basketball Association champions can return to the league final by winning Game 6 on Thursday at the Summit.

That may be easier said than done, because no team in this series has been able to win at home. But after Tuesday night's performance, the Rockets may sense that they have taken San Antonio's best shot.

Hakeem Olajuwon was magnificent, leading all scorers with 42 points on 19-of-30 shooting and adding 9 rebounds and 8 assists.

"I think his performance in some regards broke our spirit," said the Spurs' coach, Bob Hill.

NBA PLAYOFFS

"It seemed like he made every shot he took."

And Sam Cassell, a second-year player who has already enjoyed some huge playoff moments, had another one with 30 points. Cassell only scored 25 in the first four games, but his play at point guard was the perfect complement to Olajuwon's overwhelming inside presence.

This was a devastating loss for the Spurs, who fell behind by 16 points in the first quarter, then spent the rest of the game

fighting an uphill battle. And there was another controversy involving Dennis Rodman, San Antonio's eccentric forward, who was benched for the first 7 minutes, 11 seconds of the game after being 40 minutes late for Monday's practice. He finished with 8 points and 12 rebounds.

The Rockets, after being out-rebounded by 64-39 in Sunday's loss, held the Spurs to a 38-38 draw in this game.

The Rockets ended the suspense by starting the fourth quarter with a 14-6 run, for a 96-79 lead with seven minutes left. David Robinson was San Antonio's only consistent offensive threat, and he was badly outplayed by Olajuwon. He had 22 points and 12 rebounds.

"Not in a million years would I guess we could lose three home games in this series,"

Robinson said. "No way, but it's happened."

The Spurs won more games (62) than any other team during the regular season, but this season will soon end unless they can win two consecutive games from the Rockets.

A 22-point first half by Olajuwon powered the Rockets to a 50-45 lead at intermission.

Clyde Drexler got 11 points that half and was much more aggressive than he had been in either Game 3 or Game 4. And the defense was solid, forcing the Spurs into 12 turnovers that half.

Vinny Del Negro, who hurt Houston badly the previous two games, did not score the first two quarters. And with Rodman on the bench, the Spurs had only 1 offensive rebound at intermission; they got 24 in Game 4.

Gullit Is Leaving Sampdoria To Play for London's Chelsea

The Associated Press

LONDON — Dutch soccer star Ruud Gullit signed Wednesday with the English premier league club Chelsea on a free transfer from the Italian team Sampdoria.

Gullit, who twice helped AC Milan win the European Champions Cup title, signed a two-year deal that reportedly will earn him \$2.4 million.

He said one of his main reasons for joining Chelsea was that its manager, Glenn Hoddle, had agreed to play him as a sweeper, the position at which he began his career before switching to striker.

"That is where I started my career in Holland and that is where Glenn Hoddle wants me to play for Chelsea," said Gullit, who has scored 16 goals in 66 international appearances for his country. "I can show my skills more there. It is a different game and although I scored a lot of goals as a striker, I never felt I really had the killer instinct you need for it."

Gullit, 32, said that sugges-

tions he was joining Chelsea merely to wind down his career were "just a joke. Somebody took it the wrong way because I said I wanted a certain amount of time off to go to some soul concerts in London."

● FIFA, concerned over the scandal in Malaysia and reports of bribes at the World Youth Championship, announced in Zurich that it will form a commission to investigate the corruption that has rocked the sport.

FIFA's executive committee gave the formal go-ahead for introducing sudden death in overtime at the World Cup finals in France in 1998, and it was decided not to sanction Nigeria for refusing to play in last month's World Youth Championship after the tournament was moved from Nigeria to Qatar.

● Ted Drake, one of England's most feared strikers of the 1930s, has died following a short illness. He was 82. He scored 150 goals for Arsenal in 197 league and cup matches before World War II interrupted his career.

Ireland 50, Japan 28: In Bloemfontein, the favored Irish

the shadow it cast last March, if not running ahead of it.

Unfortunately, Will Carling (sprained ankle) and Dean Richards (hamstring) will have to try to recover by Saturday, with Rob Andrew, Jeremy Guscott and Rory Underwood seriously bruised (or worse) after this game. It was one England managed from the start: it was close at the break (16-10) and at the end, but both of Italy's tries came on the last plays of each half. So it is hard to say which is the more deceiving — England's physical and tactical strengths, or its weakness of inspiration.

"It was a win and a clear improvement," Rowell said. "We shot ourselves in the foot in injury time, and in the second half we pressured ourselves. England lack the killer instinct, don't they?"

In fact, none of England's peers has looked overwhelming, apart from South Africa in its opening victory over Australia last week. Everyone is trying to peak for the last two weeks.

It took only nine minutes for England to build on last week's try-less victory against Argentina, and it happened only after the Italians had made two advances inside the England 22-meter line. Tim Rodber forced and recovered the fumble which Kyran Bracken shoveled deep toward the right wing, eventually to Tony Underwood who sprinted in from midfield with England's first try in more than 169 minutes, or since last February.

That made it 10-0 and more penalties by stand-in captain Andrew (for Carling), whose sure kicking has now given two games for England or else prodded the team into its conservative funk, built up to 16-3 when Italy's Alessandro Tronconi kicked desperately into the corner at the end of the half. Mike Catt's punt but was blocked and caught for a try by Paolo Vascari.

The Italian coach, Georges Coste, had switched three players and benched five more from his most talented team, the one that was shredded by the Samoans last week. His star winger, Marcello Cuttitta, who had grown up in suburban Durban and was so looking forward to playing here, was first sent to the bench and then dropped altogether. Without him and the others, Italy held tight early in the second half, until Mario Gerosa slipped and fluffed a punt from the same corner as Catt. The try was run in by the younger Underwood brother, Rory, for a lead of 21-10 in the 49th minute.

Australia 27, Canada 11: In Port Elizabeth, flyhalf Michael Lynagh scored a try among his 17 points to lead defending champion Australia to a workmanlike victory.

Lynagh moved past Grant Fox of New Zealand into second place on the all-time World Cup points list with 178, behind the 198 of Scotland's Gavin Hastings.

Despite a slippery field caused by hours of rain, Australia raced to a 17-0 lead in the first 10 minutes on tries by flank Iie Tabua and wing Joe Roff, both converted by Lynagh, who also kicked a penalty.

The rugged match produced several injuries, with Mark Hartill, Phil Kearns, Peter Slatery and Willie O'Flahane going off for Australia, while Gareth Rowlands hobbled off for Canada.

Australia's coach, Bob Dwyer said the injuries would keep Kearns, Slatery and O'Flahane out of the match Saturday.

Ireland 50, Japan 28: In Bloemfontein, the favored Irish

World Cup Standings

FIRST ROUND									
Team	GP	W	D	L	PF	PA	PTS	Diff	Rank
South Africa	2	2	0	0	48	14	12	34	1
Canada	2	1	0	1	45	30	4	15	2
Australia	2	1	0	1	45	30	4	15	3
Argentina	2	1	0	1	45	30	4	15	4
Italy	2	0	2	0	21	52	2	-31	5

Team	GP	W	D	L	PF	PA	PTS	Diff	Rank
New Zealand	2	2	0	0	87	28	6	59	1
Ireland	2	2	0	0	61	21	6	40	2
Wales	2	1	1	0	66	44	4	22	3
Japan	2	0	2	0	28	107	2	-79	4

Team	GP	W	D	L	PF	PA	PTS	Diff	Rank
Scotland	2	2	0	0	138	5	6	133	1
France	2	2	0	0	107	28	6	79	2
Uruguay	2	0	2	0	18	143	2	-125	3

WEDNESDAY'S RESULTS

Australia 27, Canada 11. Penalties: Lynagh (4th, 34th). Conversions: Fox (27th, 34th). Tries: Lynagh (4th, 34th).

Canada: Tries: Al Charran (77th). Penalties: Garry Ross (14th, 29th). Ireland: Tries: David Carbery (11th), Melt

France (28th), Simon Dani (34th), Eddie Hui (47th), Milt Hogan (78th). Penalties: Lynagh (4th, 34th). Conversions: Fox (27th, 34th). Tries: Lynagh (4th, 34th).

Japan: Tries: Shinji Kato (28th), Ko Iwano (34th), Saito Hiroshi (38th), Matsuo Tokuo (72th). Conversions: Yoshitaka Yamaoka (28th, 38th, 72th, 78th). Penalties: Lynagh (4th, 34th).

New Zealand 34, Wales 9. New Zealand: Tries: Walter Little (11th), Mark Ellis (28th), John Kearns (71st). Conversions: Andrew Hastings (11th, 28th, 71st). Penalties: Hastings (11th, 28th, 71st). Wales: Tries: Neil Jenkins (38th). Penalties: Jenkins (40th, 59th).

SATURDAY'S MATCHES: Tonga vs. Ivory Coast 1:00 GMT. Australia vs. Romania 1:00 GMT. Scotland vs. France 5:00 GMT. Canada vs. South Africa 1:00 GMT.

needed two penalty tries in the second half to get by Japan and keep their hopes alive of making the quarterfinals.

South African referee Sief Neethling awarded the penalty tries when the Japanese repeatedly collapsed scrums close to their line to stop imminent Irish scores. It was believed to be the first time a referee awarded two penalty tries to one side in a World Cup match.

Paul Burke led the Irish with 15 points on six conversions and a penalty, while five other Irish players scored tries against four tries from Japan in a match full of energetic rugging.

The Irish manager, Noel Murphy, said that backer Gareth Wood had aggravated a shoulder injury and would miss the rest of the tournament as an as yet unspecified recent brought in.

For Japan, it was too much Irish size and power, so its captain, Masahiro Kuni, New Zealand 34, Wales 9.

In Johannesburg, Andrew Hastings kicked for 19 points; the All Blacks clinched a berth in the quarterfinals.

New Zealand dominated opening 40 minutes, applying constant pressure that put two more penalties to try center Walter Little by Marc Ellis.

Welsh flyhalf Neil Jel opened the scoring with a goal and added a penalty his side was tentative of attack and focused more c-fending by double-team Black wing Jonah Lomu to vent the kind of game-breakers he made in New Zealand opening victory over Ireland.

CROSSWORD

ACROSS
1. Sport
5. Half an old radio
9. Fall precursor

12. Ben Adhem
14. Indian boy of film
16. Electron tube

18. Art lover
20. Riverbed item
21. Vene dir.
22. Stash
23. Act peacefully

7. O. once, to
hams
8. Ligates
9. Logs
10. 60's Presidential
in-law

11. Sacred statue
12. Soccer gear
13. A hairdresser's job
14. Hand
15. Easter bloom
16. Invited to one's
apartment

17. Leading
18. Easter bloom
19. Invited to one's
apartment
20. Blue cartoon
critter

21. Montane, once
22. Tibia neighbor
23. White
24. Dudgeon
25. Start of a 50's
political slogan

26. "Understand?"
27. Eye problems
28. Lake Titicaca
locale
29. Winter creations
30. Rainier

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GENEVA	(41)	23-380-4380
MILAN	(39)	2-38-148-557
ROME	(39)	6-415-311
EAST EUROPE	(31)	2549-1514

DOWN

1. Pro
2. Theater award
3. Footwear, for
4. Short shot
5. Rise
6. Potomac change

UP

7. O. once, to
hams
8. Ligates
9. Logs
10. 60's Presidential
in-law
11. Sacred statue
12. Soccer gear
13. A hairdresser's job
14. Hand
15. Easter bloom
16. Invited to one's
apartment
17. Leading
18. Easter bloom
19. Invited to one's
apartment
20. Blue cartoon
critter
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22. Tibia neighbor
23. White
24. Dudgeon
25. Start of a 50's
political slogan
26. "Understand?"
27. Eye problems
28. Lake Titicaca
locale
29. Winter creations
30. Rainier
31. I-won do
32. City on
Carnegie
33. Pepper
34. Parish V.I.P.
35. Popular storage
spot
36. About, in
legalspeak
37. Fitzgerald forte
38. Browne
39. Cobras
40. Actress Nancy
from Hong Kong
41. Architect
Seavision
42. Larduster
43. Ram's trope

Solution to Puzzle of May 31

SHOT	CLEAR	1	A	M
AONE	HINDU	2	M	X
SWORD	OFF	3	A	M
HERCULES	NEILS	4	M	X
ELL	ADULT	5	M	X
OUTLASS	SUPREME	6	M	X
MA	SPACE	7	M	X
AMPS	ORAL	8	M	X
SORT	TREND	9	M	X
CL	AND	10	M	X
CL	AND	11	M	X
VINES	ONI	12	M	X
AMANA	REPAVING	13	M	X
WILD	IRANI	14	M	X
ENE	LOMAN	15	M	X

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